

***New Jersey  
NJ1040 e-File  
Software  
Developers  
Handbook***

*Guide for Software Developers who file:  
New Jersey Income Tax returns electronically*



**State of New Jersey**  
Division of Revenue

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*Director*

## FEDERAL/STATE ELECTRONIC FILING PROGRAM

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## Message from the Director

Welcome and thank you for your interest in New Jersey's Gross Income Tax Electronic Filing program (NJ-1040 E-File). We look forward to another productive year as we work with you to assist New Jersey's taxpayers.

The NJ-1040 E-file program continues to be a major success for the State of New Jersey. For the 6<sup>th</sup> consecutive year, the number of e-filed returns has shown significant growth. Approximately 3.2 million NJ-1040 returns were filed electronically in 2011 for Tax Year 2010. This represents over 65 percent of all Personal Income Tax returns processed by the Division of Revenue. The Division will continue to explore new technologies that will enhance our e-services applications.

The State continues to support the current e-file regulations that reduce the practitioner e-file threshold from 25 to 11 or more returns. The current threshold will harmonize New Jersey's e-file rules for paid tax practitioners with recently enacted Federal law. Please visit the New Jersey Business Gateway website at [www.nj.gov/njbgs](http://www.nj.gov/njbgs) for the most up to date information regarding the new rule change.

Electronic filing continues to provide benefits to both tax practitioners and taxpayers. These benefits include:

- Elimination of data entry errors;
- Quicker turnaround time on refunds (two weeks versus four to six weeks);
- Confirmation that the return was received (receipt of an acknowledgment); and
- Ability to quickly identify and correct errors and re-file rejected returns.

The Division of Revenue's mission is to provide accurate, efficient, timely and responsive services to the business community, taxpayers and State government. As with all of our e-file programs, New Jersey's Gross Income Tax program is essential to the attainment of this mission. It helps us increase our effectiveness and reduce processing costs. We look forward to continually improving our electronic government service programs, and will work in partnership with the practitioner community to ensure that our programs are responsive to the needs of New Jersey's taxpayers.

Thank you for your participation in this program and best wishes for the continued success of your business.

James J. Fruscione  
Director  
NJ Division of Revenue &  
The Office of Treasury Technology



## I INTRODUCTION

**This document is for software developers.**

(New Jersey also produces *Electronic Filing Handbook for Practitioners*. This is less detailed and is for the use of Tax Preparers/EROs,)

This manual provides the information needed to develop a quality product. It includes the criteria for filing, administrative procedures and contact numbers. Most New Jersey individual income tax returns (NJ-1040) can be filed electronically.

### **New or revised for Tax Year 2011**

1. **EITC 20% of Federal amount maximum allowed \$1,150.20**
  - \$43,998 (\$49,078 MJ) with 3 or more \$1,150.20
  - \$40,964 (\$46,044 MJ) with 2 \$1,022.40
  - \$36,052 (\$41,132 MJ) with 1 \$618.80
  - \$13,660 (\$18,740 MJ) no child \$92.80
  
2. **UI/DI/FLI –**
  - UI/WF/SWF – \$126
  - DI – \$148
  - FLI – \$18
  
3. **MeF-**
  - Modernized e-file

## II GENERAL

Electronic filing benefits everyone – taxpayers, practitioners, and State government. Acknowledging receipt of the return, faster refunds, direct deposit of refunds, postdated payments (up to April 15, 2012), more accurate processing, and greater security of sensitive information are just some of the advantages offered by New Jersey's electronic filing system. By electronic filing State income tax returns, practitioners are providing their clients with the best possible service.

New Jersey is part of the Joint Federal/State Electronic Filing Program for individual income tax returns. The information contained in this handbook is designed to assist Software Developers create a reliable product that can e-file TY11 New Jersey Individual Income Tax Returns.

To participate in the Federal/State E-File program, Developers and Transmitters must have an ETIN (Electronic Transmitter Identification Number), and EROs (Electronic Return Originators) will need an EFIN (Electronic Filer Identification Number). New Jersey also requires that the following fields be entered in each electronic return:

- An Employer Identification Number, also known as a Federal Tax Identification Number (FEIN)
- A Social Security Number (SSN) or a paid preparer's temporary identification number (PTIN) or an unpaid volunteer preparer's temporary identification number (STIN). If the return is prepared by the taxpayer, "999999999" should be entered in the SSN/STIN/PTIN field.
- The name of the paid preparer
- The address and city of the paid preparer

All must be included in the electronic return. Failure to include the SSN/STIN/PTIN will cause the return to be rejected.

If a developer, transmitter, or paid preparer has never participated in the Fed/State E-File Program; they should contact the IRS coordinator at the Newark, NJ District Office.

The telephone number for the Newark office is (973) 645-6690.

The mailing address is:

IRS/NEWARK  
 ATTN: ELECTRONIC FILING COORDINATOR  
 PO BOX 668  
 NEWARK, NJ 07101-9788

The IRS web site is <http://www.irs.gov/taxpros/index.html>

The IRS issues the FEIN, EFIN, ETIN, PTIN, and STIN.

If you have any questions, comments, or suggestions, you may direct them to:

NEW JERSEY DIVISION OF REVENUE  
 E-FILE Unit - NJ-1040  
 PO BOX 628  
 TRENTON, NJ 08646-0628

Fax 609-777-2811

E-mails to E-File Unit, [NJ-eFile@treas.state.nj.us](mailto:NJ-eFile@treas.state.nj.us).

Telephone Hotline at 609-292-9292

### **III WHO MUST E-FILE (The E-FILE MANDATE) FOR TAX YEAR 2011**

The tax year 2011 electronic filing mandate includes tax practitioners (firms and individuals) who prepared 11 or more 2010 NJ Income Tax Resident Returns.

For additional details see Taxation's web page:

<http://www.state.nj.us/treasury/taxation/pdf/1040efiling.pdf>

Non-resident, part-year resident, prior-year, amended, and fiduciary returns are not included in the e-filing mandate. Fiduciary returns cannot be e-filed.

Practitioners who filed less than 11 NJ Income Tax Returns (NJ-1040) in 2010 are not required to file electronically, but are strongly encouraged to do so.

## IV FORMS

### ***Electronic Returns***

New Jersey accepts both generic and unformatted records.

The **generic** electronic return provides a basis for e-filing the NJ-1040 (Income Tax Resident Return), the NJ-1040NR (Non-resident Income Tax Return) and the NJ630 (Request for Extension). The generic record layout for part-year resident returns is contained within the NJ-1040. A separate generic record layout for non-resident returns has been created.

The NJ-630 is also a generic record since it will be sent as a stand-alone form.

**Note: The NJ-630 cannot be filed the same day as the NJ1040.**

E-filing of additional forms and/or schedules is allowed and sometimes required. New Jersey accepts most forms and schedules in an **unformatted** electronic record format.

New Jersey **will accept** most returns electronically:

- Refunds, zero balance returns, and balance due returns.
- Most supporting documents, forms and schedules will be accepted.
- The Schedule B can be summarized.
- Corrected returns when the initial return rejected.

New Jersey **will not accept** certain filings electronically:

- Full-year resident filing a joint return with a part-year resident.
- Full or part-year resident filing jointly with a non-resident.
- Amended returns when the initial return was accepted.
- Filings for estates and/or trusts (NJ-1041).
- NJ-1040 with out-of-country addresses.
- Also, New Jersey cannot accept more schedules than the number allowed by the IRS.

Your product must be able to support e-filing of the NJ-1040 and all supporting documents that New Jersey accepts electronically. Your documentation should clearly indicate if your product does not support specific returns, schedules, etc.

**Acknowledgment** records will be transmitted to the IRS to be retrieved by software developers and/or transmitters and forwarded to practitioners.

## **Paper Returns**

The Division of Taxation's Systems and Technology provides approval for all paper return formats. This office can be reached at (609) 633-3878 or by writing to:

NEW JERSEY DIVISION OF TAXATION  
FORMS SECTION ATTN: Timothy Jeffery  
P.O. BOX 269  
TRENTON, NEW JERSEY 08695-0269

The NJ-8879 may be kept by the tax practitioner for his/her record. It is not to be sent to New Jersey.

## **V ACCEPTANCE INTO THE E-FILE PROGRAM**

Initial registration with the Division of Revenue is mandatory for all software developers and transmitters.

New participants in the e-file program should contact the IRS, since Federal registration is required. All required identification numbers are issued by the IRS. (New Jersey does not issue EFIN's and ETIN's.) There is an IRS deadline for filing applications; but there is no deadline for New Jersey. One should not attempt to file returns electronically until an identification number from the IRS has been received and made available to New Jersey.

## **Software Vendors/Developers**

- All developers must demonstrate the ability to prepare and transmit an acceptable electronic NJ-1040 and all additional forms and schedules. All criteria set forth in the record layouts must be met and developers must pass the test process.
- New Jersey Tests will be created based on the tests prepared by the NATCP EF Committee.
- Developers must also return all abstracts provided for each ID number associated with their company. Typically, a software company will have a lead abstract, which indicates the developer category, and following abstracts for each EFIN and ETIN, live and test, assigned to them by the IRS.
- Developers must provide a copy of their approved product with documentation to the Division of Revenue.
- Each software developer must provide the name, telephone number and e-mail address of a contact person. **This contact person should be the only individual with whom the Division of Revenue is to have contact.** Minimizing the number of contact personnel reduces the chance of error and miscommunication.

## Transmitters

Transmitters who have not previously registered with New Jersey must submit a properly completed registration form for TY11. It is important that ***all ETIN numbers be registered***. New Jersey does not require transmitters to re-register on a yearly basis. Transmitters should not provide their customers with New Jersey registration forms with a pre-filled ETIN. Transmitters are required to pass testing each year.

## Electronic Return Originators (ERO's)

Practitioners need to have the IRS assign them an EFIN. Practitioners do not need to register with New Jersey. We will check the EFIN with the IRS database.

***Software developer ID's, ETIN's, EFIN's, etc. are verified. ID numbers appearing in electronic returns that are not registered will cause the return to be rejected.***

## VI DIRECT DEPOSIT – DIRECT DEBIT

New Jersey offers both Direct Deposit for refunds and Direct Debit for payment of balances due. They can be made to either a checking or savings account. The use of direct deposit speeds up the refund process. Use of a direct debit aids the taxpayers in quickly meeting their tax obligations.

***Direct Deposit*** will be made as soon as the approved NJ-1040 is processed and posted in the Tax database.

If the data required for direct deposit is inaccurate or incomplete the error code 0299 / field 024 will be issued. If that is the only error, the return will process but the refund will be by check.

All New Jersey E-filed individual returns that request direct deposit must answer the following question: **Will this refund go to an account outside the United States?**

**Note:** If the answer is yes or unanswered then no Direct Deposit will be made and a paper check will be issued.

The most common error is incorrect data in field 315.030, direct deposit refund type.

“1” indicates direct deposit of the NJ-1040 refund. If the field 315.030 is left “blank” the refund will be issued as a paper check and mailed to the taxpayer even though the rest of the direct deposit data fields are correct.

**Direct Debit** must be for the full tax amount due. New Jersey will allow taxpayers who choose Direct Debit as their method of payment to select the date the funds will be withdrawn from their savings or checking account. Taxpayers can file their returns in January and not have the payment withdrawn from their account until as late as Monday April 15, 2012. ***If, the taxpayer chooses a date after April 15, 2012 interest and penalties will be assessed.***

Returns filed after the 15th will have the direct debit made on the day after the return is processed. If the date chosen is in the past, the debit will process as soon as the return is processed and posted. If the date chosen is a bank holiday or a weekend, the debit will process on the following business day.

**Caution:** ***Do not use any dashes, slashes, and/or blank spaces in the account numbers. This could jeopardize processing of direct deposits and direct debits, resulting in potential penalties and/or interest if payments/deposits are held up or not made at all.***

#### **Paper Check**

If not using direct debit, payments should be forwarded, along with the accompanying **payment vouchers**, to the following addresses:

#### **For resident returns**

STATE OF NEW JERSEY DIVISION OF TAXATION  
REVENUE PROCESSING CENTER  
P.O. BOX 111  
TRENTON, NEW JERSEY 08645-0111

#### **For non-resident returns**

STATE OF NEW JERSEY DIVISION OF TAXATION  
REVENUE PROCESSING CENTER  
P.O. BOX 244  
TRENTON, NEW JERSEY 08646-0244

## **VII “STATE-ONLY” PROGRAM**

New Jersey is a participant in the IRS “State-Only” Program. We accept New Jersey State returns forwarded without the corresponding Federal return through the Fed/State program. This includes resident, non-resident and part-year

resident returns. Also, New Jersey accepts the *retransmission of a previously rejected NJ State return*.

The Application For Extension Of Time To File New Jersey Gross Income Tax Return, (NJ-630) is also e-filed as "State Only". This method of e-filing an extension should be used if a direct debit payment accompanies the extension request.

If no payment is involved, the Federal 1040 extension request can be used to request an extension of time to file New Jersey returns as well. In this case, the Federal Extension Requested check-off should be used when the NJ-1040 is filed.

## **VIII MONITORING AND SUSPENSION OF PRIVILEGES**

New Jersey monitors all parties involved in the electronic filing process. All entities involved in this process are subject to the rules and regulations set forth in this document, as well as the laws, statutes, rules and regulations that relate to New Jersey Income Tax. Failure to comply with program mandates will result in warnings and/or suspension from the program. Electronically filed returns from suspended entities will not be accepted.

## **IX PROVIDING DOCUMENTS TO TAXPAYERS**

ERO's must furnish taxpayers with documentation of all New Jersey forms filed on their behalf. These should include, but not be limited to, properly completed NJ-1040's and NJ-1040NR's. Also, ERO's should advise taxpayers to retain their copies of W-2's, 1099's, and any documents that were used to prepare returns.

In instances where a return cannot be filed electronically, the software may generate a paper return. New Jersey will require these packages to produce a payment voucher when a payment is due. The paper returns and vouchers must meet specific criteria. The Division of Taxation's Systems and Technology provides approval for all paper return formats.

## **X CONTACTING THE DIVISION**

### *Developers and Transmitters*

Technical calls dealing with transmissions, acknowledgment records, testing, etc., should be directed to the Division of Revenue 609-292-9292.

Note: This telephone number is not for tax questions and is not to be given out to the general public. Software developers should not provide this number to taxpayers. This number exists exclusively to provide assistance to software developers, transmitters and ERO's.

#### *Practitioners/ERO*

Practitioners have a special phone number that they can utilize when calling the Division of Taxation on tax related matters. They should use that number.

#### *Taxpayers*

The phone number below is provided for taxpayers who have inquiries regarding their returns. All such inquiries should go through the New Jersey Division of Taxation Call Center 609-292-6400. The number for automated refund information is 1-800-323-4400.

## **XI FEDERAL/STATE ELECTRONIC BULLETIN BOARD**

The IRS has established a bulletin board (the BBS) for the electronic filing program. New Jersey takes advantage of this BBS by posting copies of manuals, notices, etc. As with most bulletin board services, the cost of the call is yours, but information is readily available from the IRS, various posting states, etc. To access the BBS, call 859.292.0137.

The Division of Revenue has a home page on the Internet at <http://www.state.nj.us/treasury/revenue>. This site is used to post information relating to the E-File Program, as well as a wide variety of other topics.

## **XII EXTENSIONS**

In certain circumstances, New Jersey will allow electronic returns to be filed beyond the deadline of April 17, 2012. Those returns will require filing of form **NJ-630**, Application for Extension of Time to File New Jersey Gross Income Tax Returns or if a **Federal Extension** has been requested.

An extension will only be accepted if it has been properly requested.

The NJ-630 can be e-filed with direct debit of an estimated payment. The NJ-630 can also be filed on the New Jersey, Division of Taxation web page at: [www.state.nj.us/treasury/taxation/text/onlinetxt.htm](http://www.state.nj.us/treasury/taxation/text/onlinetxt.htm)

The Federal 1040 extension request can be used to request an extension of time to file New Jersey returns as well. In this case, the Federal Extension Requested check-off should be used when the NJ-1040 is filed.

Software Developers **should not** prevent filers from filing returns after the filing deadline of April 17, 2012 regardless of whether or not the Federal check off box is marked. It is the responsibility of the filer **not** the Software Developer to determine if the proper extension procedure has been followed.

### **XIII ACKNOWLEDGMENTS**

The Internal Revenue Service provides State Acknowledgement service on its Front End Processing System, known as EMS (Electronic Management System). The State of New Jersey will send Acknowledgements to EMS for trading partners to pick up when they pick up their Federal Acknowledgements. New Jersey will store the Global Transaction (GTX) Key, provided by the IRS. If a State Acknowledgement file needs to be re-hung, the E-filing Partner will contact the State of New Jersey for the GTX Key and then contact the IRS with the GTX key to have the file re-hung. If e-file partners have questions about the GTX key they should contact the Division of Revenue at 609.292.9292

New Jersey acknowledges all electronic returns received. Clients receive acknowledgments from both the IRS and the State of New Jersey. It should be noted that a Federal acknowledgment does not extend to the corresponding State return. A Federal acknowledgment means only that the State portion has been made available to the State.

Software developers should inform their clients that when a New Jersey return is transmitted with the Federal return, both an initial Federal Acknowledgment and a separate New Jersey Acknowledgment will be sent.

An acceptance from New Jersey does not imply that the return, in its entirety, is correct. It acknowledges only that the returns conform to the required standards for electronic filing. New Jersey Acknowledgments will be transmitted to the new IRS System for retrieval.

### **XIV PIN (Personal Identification Number)**

Although the IRS no longer uses the 5-digit Personal Identification Number (Federal Self-select or Practitioner PIN), in New Jersey, e-file partners may still opt to use a 5-digit PIN. The New Jersey record layout contains fields for the entry of a primary PIN and a secondary/spouse PIN.

The use of a PIN is not mandatory. ***The return can be filed without a PIN.***

The State of New Jersey does not require Form NJ-8879 and the NJ-8879 ***is not*** to be mailed to the State of New Jersey. This form is simply being made available to the practitioner community as a convenience. New Jersey does not require practitioners to maintain the form for any specific length of time.

No signature document is required in either case.

## **XV TY11 E-FILE CALENDAR**

The following dates relate to the coming E-file tax season:

Return period:	January 1, 2011 to December 31 2011
Deadline to register:	None, (but must register prior to transmitting)
Start date for PATS	When notified
Begin live transmissions:	January 13 <sup>th</sup> 2012
Last date for timely filing:	April 17 <sup>th</sup> 2012
Last date for late transmissions:	October 20 <sup>th</sup> 2012

## **XVI MISCELLANEOUS CONTACTS, TELEPHONE NUMBERS AND MAILING ADDRESSES**

*The following numbers are provided for your information:*

Client Registration	(609) 292-9292
Corporate Mergers, Dissolutions	(609) 292-9292
Corporate Tax Liens	(609) 292-9292
Director's Office – Revenue	(609) 984-3997
Director's Office - Taxation	(609) 292-5185
Electronic Filing Program (E-file)	(609) 292-9292
Electronic Funds Transfer (EFT)	(609) 292-9292
Forms-Tax Fax	(609) 826-4500
Forms-Tax Talk	(800) 323-4400
Inheritance Tax	(609) 292-5033
IRS E-file Washington DC	(800) 829-1040
IRS Newark	(973) 645-6690
Local Property Tax	(609) 292-7221
Motor Fuels Tax Refunds	(609) 588-3688
Public Utility Tax	(609) 584-4337
Recorded Tax Topics	(800) 323-4400
Speaker Programs	(609) 984-4101
Tax Call Center	(609) 292-6400
Tax Cheats	(609) 292-6400

*The following URL's and e-mail addresses are provided for your information:*

Division of Revenue	<a href="http://www.state.nj.us/treasury/revenue/">www.state.nj.us/treasury/revenue/</a>
E-file Program Page	<a href="http://www.state.nj.us/treasury/revenue/efile.htm">www.state.nj.us/treasury/revenue/efile.htm</a>
ERO Registration	<a href="http://www.state.nj.us/treasury/revenue/forms/elfreg.pdf">www.state.nj.us/treasury/revenue/forms/elfreg.pdf</a>
E-mail the Division	<a href="mailto:info@revenue.state.nj.us">mailto:info@revenue.state.nj.us</a>
Division of Taxation	<a href="http://www.state.nj.us/treasury/taxation/">www.state.nj.us/treasury/taxation/</a>
E-file Mandate	<a href="http://www.state.nj.us/treasury/taxation/text/efilemandatetxt.htm">www.state.nj.us/treasury/taxation/text/efilemandatetxt.htm</a>
E-file Mandate FAQ	<a href="http://www.njcleanwater.org/treasury/taxation/index.html?nj1040faqs.htm~mainFrame">http://www.njcleanwater.org/treasury/taxation/index.html?nj1040faqs.htm~mainFrame</a>
E-mail Taxation	<a href="mailto:taxation@tax.state.nj.us">taxation@tax.state.nj.us</a>
Internal Revenue Service	<a href="http://www.irs.ustreas.gov">www.irs.ustreas.gov</a>

*Some of the more common mailing addresses:*

EFT	NJ DIVISION OF REVENUE EFT GROUP P.O. BOX 628 TRENTON, NJ 08646-0191
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E-File	NJ DIVISION OF REVENUE E-Services P.O. BOX 628 TRENTON, NJ 08646-0628
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Forms	NJ DIVISION OF TAXATION P.O. BOX 269 TRENTON, NJ 08695-0269 ATTN: TAXPAYER FORMS SERVICE
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NJ Package X	NJ DIVISION OF TAXATION P.O. BOX 281 TRENTON, NJ 08695-0281
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State Tax News	NJ DIVISION OF TAXATION P.O. BOX 281
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TRENTON, NJ 08695-0281

Tax Cheats

NJ DIVISION OF TAXATION  
COMPLIANCE ACTIVITY  
P.O. BOX 245  
TRENTON, NJ 08695-0245

## **XVII ABBREVIATIONS**

ERO's are asked to use a certain set of abbreviations.  
Following is a list of preferred abbreviations:

<u>WORD</u>	<u>ABBREVIATION</u>	<u>WORD</u>	<u>ABBREVIATION</u>
And	&	North	N
Air Force Base	AFB	Northeast	NE
Apartment	APT	Northwest	NW
Avenue	AVE	One-half	1/2
Boulevard	BLVD	Parkway	PKY
Building	BLDG	Place	PL
Care of, or In	C/O	Post Office	PO BOX
Care of		Box	
Circle	CIR	Route, Rte.	RT
		Road	RD
Drive	DR	Rural	RD
		Delivery	
East	E	Rural Route	RR
Fort	FT	South	S
General	GEN	Southeast.	SE
Delivery	DEL		
Heights	HTS	Southwest	SW
Highway	HWY	Square	SQ
Island	IS	Street	ST
Lane	LN	Terrace	TER
Junction	JCT	West	W
Lodge	LDG		

## **XIX. MeF - TRANSMITTING THE NEW JESREY ELECTRONIC RETURN**

Since the New Jersey electronic return is transmitted with the federal return, the transmitter must follow all electronic transmitting procedures, communication requirements, and technical specifications required by the IRS.

Participants in the Federal/State Electronic Filing (MeF) Program must confirm with their software developer or direct transmitter that the software is capable of processing and transmitting the state data along with the federal data to the appropriate IRS service center.

A submission contains a state return and a copy of the federal return.

- ❖ Each state return must include a complete copy of the federal return as submitted to the IRS and any attachments associated with that federal return.
- ❖ The copy of the federal return must be submitted in the agreed upon IRS XML format.
- ❖ Each submission must be a separate file.
- ❖ Each state return must be submitted in the XML format specified and agreed upon by IRS, state agencies, transmitters, and software developers.
- ❖ If the IRS rejects a Fed/State submission, the state will not receive the state return portion. The Fed/State submission must be re-submitted.
- ❖ Each submission must be in Zip archive format as outlined in federal publication 4164 – Modernized e-File (MeF) Guide for Software Developers and Transmitters.
- ❖ The SOAP message itself must not be compressed or zipped.
- ❖ The state manifest must follow the guidelines provided by the IRS with the following New Jersey specific items.
  - SubmissionID = 6-character EFIN + 4-digit year + 3-digit Julian date + 7-digit unique sequence number.
  - Government Code = NJST
- ❖ SubmissionType
  - For NJ1040 = 1040

## **NEW JERSEY ACKNOWLEDGEMENT PROCESS**

The Division of Revenue will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters, and software developers. Transmitters and software developers should allow one business day to receive the State acknowledgement before contacting the Division of Revenue E-services.

➤ **RECEIPT ACKNOWLEDGEMENT**

New Jersey provides a receipt acknowledgment for successfully retrieving returns through the IRS MeF system. New Jersey will reject any return submitted in the wrong format or that cannot be properly identified. If this occurs, the state will inform you of the rejection through an acknowledgement. Once the preparer corrects the return, the preparer may transmit the return as a state-only return. Be sure to confirm that your software package supports state-only transmissions. If the electronically filed New Jersey return can't be re-transmitted, the ERO must submit a paper tax return to the Division.

➤ **PROCESSING ACKNOWLEDGEMENT**

New Jersey provides one of the following two processing acknowledgments for successfully reading returns retrieved through the IRS MeF system.

- **Accepted** – This acknowledgment indicates the electronic return was received and successfully completed the business rule validation process.
- **Rejected** – This acknowledgement indicates the electronic return was received but failed to complete the business rule validation process. The acknowledgement will contain a reason indicating the error causing the rejection.
- **Non-receipt of State of New Jersey acknowledgement record**

**Before contacting the Division of Revenue, ensure that:**

You have received an IRS acknowledgment record;  
The IRS accepted the federal tax return;  
The transmission included an New Jersey state return, and  
you have the submission ID.

➤ **Contact the Division of Revenue e-services if:**

You receive IRS acknowledgment records more than two working days ago and you have not received New Jersey acknowledgment records for the same tax returns.

➤ **Whom to contact:**

To check on the status of a New Jersey acknowledgment record, email the Division at: [Salesforce link?????](#) Please have the following information in your email:

Electronic Filer ID Number (EFIN)

Federal EIN

Transmission date

Submission ID

Contact name and phone number

**RESUBMISSION OF REJECTED TAX RETURNS**

The State of New Jersey monitors the timeliness of the error correction process when an error acknowledgement is sent. Failure to provide timely correction or erroneous returns can cause a revocation of privileges.

If an electronic acknowledgement has not been received within forty-eight (48) hours of our scheduled retrieval process for any transmitted return/report, the ERO should contact the New Jersey helpdesk for further instructions. It is the responsibility of the ERO to ensure that every return/report filed electronically is acknowledged as accepted.

If New Jersey rejects the corporate return for processing, the ERO must take reasonable steps to inform the taxpayer of the rejection within 24 hours. When the ERO advises the

taxpayer that the return has not been filed, the ERO must provide the taxpayer with an explanation.

If the electronic return can be retransmitted it must be filed by the later of the due date of the return or five (5) calendar days after the date New Jersey gives notification the return is rejected.

If the electronic return cannot be corrected and retransmitted, the taxpayer must file a paper return. In order for the paper return to be considered timely it must be filed by the later of the due date of the return or ten (10) calendar days after the date New Jersey gives notification the return is rejected. The paper return should include an explanation of why the return is being filed after the due date and include a copy of the reject notification.

## **XVIII REMINDERS**

Remember:

Generally, your software will require you to indicate that you want to create a State return to accompany the Federal return. The New Jersey return will only be created if that prompt is responded to.

New Jersey no longer requires practitioners to enter every line item or capital gain on the New Jersey Schedule B. The practitioner simply has to enter the sum for all transactions in the appropriate fields.

The use of a PIN is voluntary. New Jersey will accept either a Self-Select PIN or a Practitioner PIN. The PIN fields (120, 125, and 126) are now in the Participant Section of the Layout.

If, there is no earned income the earned income tax credit cannot be taken; even if such a credit is allowed on the Federal return.

On the Non-resident return (NJ-1040NR) wages everywhere cannot be less than NJ wages (Field 510 >= Field 570).

Out of State EROs need no longer register with New Jersey.

If there are any questions or concerns, the Division of Revenue can be contacted at (609) 292-9292 or please send us a message through the following web page:

<https://www.state.nj.us/treasury/revenue/revgencode.shtml>

### **International ACH Transactions - Foreign Account Indicator**

We are now required to implement a new format in all programs involving electronic funds transfer through the National Automated Clearing House Association (NACHA) network. This new NACHA rule is being implemented at the request of the US Treasury Office of Foreign Asset Control (OFAC). The rule requires additional payment addendum data to be provided whenever the source or destination of funds is international, even if the immediate funds transfer only involves domestic financial institutions.

In order to comply with these new banking rules, we ask you to indicate on your returns if the State refund is going to an account outside the United States, or if the funds to pay a State liability are coming from an account outside the United States. If you indicated that the State refund is going to an account outside the United States, or if the funds to

pay a State liability are coming from an account outside the United States, **the return will be rejected.**