

**FORM 329
2022**

**New Jersey Corporation Business Tax
Pass-Through Business Alternative Income Tax Credit**

| | | |
|-------------------------|-------------------|---|
| Name as Shown on Return | Federal ID Number | Unitary ID Number, if applicable NU |
|-------------------------|-------------------|---|

Read the instructions before completing this form.

Fiscal year taxpayers whose tax year begins prior to January 1, 2022, must use the 2021 Form 329 when filing their 2022 return.

Combined Return Filers

- The taxpayer is included as a taxable member on a New Jersey combined return. See instructions.
Fill in oval if member is **not** sharing its credit with other members of the group.

**CBT-100 and BFC-1 Filers – Complete Part I
CBT-100S Filers – Complete Part II
CBT-100U Filers – Complete Part III**

Part I CBT-100 and BFC-1 Filers – Calculation of Allowable Credit Amount and Refund

| | | | |
|---|---------------------|-------------|-----|
| 1. Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received: | | | |
| Name of pass-through entity | Tax year of PTE-K-1 | Amount | |
| (a) _____ | _____ | _____ | |
| (b) _____ | _____ | _____ | |
| (c) _____ | _____ | _____ | |
| (d) _____ | _____ | _____ Total | 1. |
| 2. Pass-Through Business Alternative Income Tax Credit carried over from the prior privilege period | | | 2. |
| 3. Total credit available (add lines 1 and 2)..... | | | 3. |
| 4. Enter tax liability from page 1, line 2 of the CBT-100 or BFC-1 | | | 4. |
| 5. Enter the required minimum tax liability (see instructions)..... | | | 5. |
| 6. Subtract line 5 from line 4 | | | 6. |
| 7. Other tax credits used by taxpayer on current year's return (see instructions): | | | |
| (a) _____ | _____ | _____ | |
| (b) _____ | _____ | _____ | |
| (c) _____ | _____ | _____ Total | 7. |
| 8. Subtract line 7 from line 6. If zero or less, enter zero..... | | | 8. |
| 9. Allowable credit for the current tax period. Enter the lesser of line 3 or line 8 here and in Part I, Schedule A-3 of the CBT-100 or BFC-1 | | | 9. |
| 10. Balance of available credit (subtract line 9 from line 3)..... | | | 10. |
| 11. a) Amount of surtax from page 1, line 5a of the CBT-100 or BFC-1. | | 11a. | |
| b) Credit to apply to surtax. Enter lesser of line 10 or line 11a here and on page 1, line 5b of the CBT-100 or BFC-1. | | 11b. | |
| 12. Amount of credit to be refunded (subtract line 11b from line 10). Enter here and in Part II, Schedule A-3 of the CBT-100 or BFC-1 | | | 12. |

Part II CBT-100S Filers – Calculation of Allowable Credit Amount and Refund

| | | | |
|---|---------------------|-------------|-----|
| 13. Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received: | | | |
| Name of pass-through entity | Tax year of PTE-K-1 | Amount | |
| (a) _____ | _____ | _____ | |
| (b) _____ | _____ | _____ | |
| (c) _____ | _____ | _____ | |
| (d) _____ | _____ | _____ Total | 13. |

Check the appropriate box to indicate how the amount on line 13 will be applied (see instructions).
Check only one box.

- A. Tax liability/tax paid on behalf of nonconsenting shareholders. Continue with line 14.
- B. Allocated to the shareholders (Form CBT-100S, Schedule K or K Liquidated). If there is a carryover from the prior privilege period, continue with line 14. Otherwise, **stop**. Do not complete the rest of Form 329.
- C. Pass-Through Business Alternative Income Tax (Form PTE-100). If there is a carryover from the prior privilege period, continue with line 14. Otherwise, **stop**. Do not complete the rest of Form 329.

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|-------------------------|-------------------|---|
| Name as Shown on Return | Federal ID Number | Unitary ID Number, if applicable NU |
|-------------------------|-------------------|---|

| | | |
|--|------|--|
| 14. Pass-Through Business Alternative Income Tax Credit carried over from the prior privilege period | 14. | |
| 15. Total credit available (add lines 13 and 14)..... If box B or C is checked at line 13, enter only the amount from line 14. Do not include the amount from line 13 (see instructions). | 15. | |
| 16. Enter tax liability from page 1, line 2 of the CBT-100S..... | 16. | |
| 17. Enter the required minimum tax liability (see instructions)..... | 17. | |
| 18. Subtract line 17 from line 16 | 18. | |
| 19. Other tax credits used by taxpayer on current year's return (see instructions): (a) _____ (b) _____ (c) _____ Total | 19. | |
| 20. Subtract line 19 from line 18. If zero or less, enter zero..... | 20. | |
| 21. Allowable credit for the current tax period. Enter the lesser of line 15 or line 20 here and in Part I, Schedule A-3 of CBT-100S | 21. | |
| 22. Balance of available credit (subtract line 21 from line 15)..... | 22. | |
| 23. a) Amount of tax paid on behalf of nonconsenting shareholders from page 1, line 11a of the CBT-100S | 23a. | |
| b) Credit to apply to tax paid on behalf of nonconsenting shareholders. Enter lesser of line 22 or line 23a here and on page 1, line 11b of the CBT-100S | 23b. | |
| 24. Amount of credit to be refunded (subtract line 23b from line 22). Enter here and in Part II, Schedule A-3 of the CBT-100S | 24. | |

Part III Calculation of Allowable Credit Amount and Refund – Combined Return Filers ONLY

Section A – Calculation of Available Credit – ALL Combined Return Filers

| | | | |
|--|-----------------------------|---------------------|-----------------------|
| 25. Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received (see instructions): | | | |
| | Name of pass-through entity | Tax Year of PTE-K-1 | |
| | | (A) Unitary amount | (B) Nonunitary amount |
| | | | |
| | | | |
| Totals | | 25a. | 25b. |
| 26. Pass-Through Business Alternative Income Tax Credit carried over from the prior privilege period | | 26a. | 26b. |
| 27. Total credit available (add lines 25 and 26) | | 27a. | 27b. |

Note: Do not include amounts from line 27b in Sections B and C. See instructions.

Section B – Combined Return Filers With Unitary Credit

| | | |
|---|-----|--|
| 28. Enter the group tax liability from Schedule A, Part III, line 5, column (a) of CBT-100U..... | 28. | |
| 29. Enter the aggregate minimum tax of combined group members (see instructions)..... | 29. | |
| 30. Subtract line 29 from line 28..... | 30. | |
| 31. Other tax credits used by combined group on current year's return (see instructions): (a) _____ (b) _____ (c) _____ Total | 31. | |
| 32. Subtract line 31 from line 30. If zero or less, enter zero | 32. | |
| 33. Allowable credit for the current tax period. Enter the lesser of line 27a or line 32. If sharing , also include in the member's column of Part I, Schedule A-3 of the CBT-100U | 33. | |

| | | |
|--|-------------------|---|
| Name as Shown on Return | Federal ID Number | Unitary ID Number, if applicable NU |
| If SHARING credit, complete lines 34–36. If NOT sharing credit, skip lines 34–36 and complete Section C. | | |
| 34. Balance of available unitary credit (subtract line 33 from line 27a) | 34. | |
| 35. a) Combined group surtax from Schedule A-5, Part I, line 2 of CBT-100U..... | 35a. | |
| b) Credit to apply to surtax. Enter lesser of line 34 or line 35a. Also include in the member's column of Schedule A-5, Part I, line 3 of CBT-100U. | 35b. | |
| 36. Amount of credit to be refunded (subtract line 35b from line 34). Enter here and in the member's column of Part II, Schedule A-3 of the CBT-100U | 36. | |
| Section C – Combined Return Filers NOT Sharing Unitary Credit (see instructions) | | |
| 37. a) Enter combined group tax liability from line 28..... | 37a. | |
| b) Divide line 37a by the group allocation factor from Schedule J, line 9..... | 37b. | |
| c) Member's share of combined group tax liability – Multiply line 37b by member's allocation factor from Schedule J, line 9..... | 37c. | |
| 38. Required minimum tax liability..... | 38. | 2,000 |
| 39. Subtract line 38 from line 37c..... | 39. | |
| 40. Other tax credits used by taxpayer on current year's return (see instructions): | | |
| (a) _____ | | |
| (b) _____ | | |
| (c) _____ | | |
| Total | 40. | |
| 41. Subtract line 40 from line 39. If zero or less, enter zero..... | 41. | |
| 42. Allowable credit for the current tax period. Enter the lesser of line 33 or line 41. Also include in the member's column of Part I, Schedule A-3 of the CBT-100U | 42. | |
| 43. Balance of available credit (subtract line 42 from line 27a)..... | 43. | |
| 44. a) Combined group surtax from Schedule A-5, Part I, line 2 of CBT-100U..... | 44a. | |
| b) Divide line 44a by the group allocation factor from Schedule J, line 9..... | 44b. | |
| c) Member's share of combined group surtax – Multiply line 44b by member's allocation factor from Schedule J, line 9..... | 44c. | |
| d) Credit to apply to surtax. Enter lesser of line 43 or line 44c. Also include in the member's column of Schedule A-5, Part II, line 4 of CBT-100U | 44d. | |
| 45. Amount of credit to be refunded (subtract line 44d from line 43). Enter here and in the member's column of Part II, Schedule A-3 of the CBT-100U | 45. | |

Instructions for Form 329

Pass-Through Business Alternative Income Tax Credit

Purpose of This Form

When a pass-through entity that is owned by both corporate and noncorporate members makes an election to pay the Pass-Through Business Alternative Income Tax determined pursuant to section 3 of P.L. 2019, c.320 (C.54A:12-3), the members are allowed a tax credit. The amount of the credit is the member's share of the tax paid and is shown on Schedule PTE-K-1, which is provided to the member by the pass-through entity. A member can only claim a credit for payment of the tax made by the entity that is applicable to the same tax year.

Corporate members, other than S corporations, are allowed the credit against their regular tax (N.J.S.A. 54:10A-5(c)(1)) or their surtax (N.J.S.A. 54:10A-5.41). The credit cannot reduce the member's tax liability below the statutory minimum tax.

Members that are S corporations are allowed a credit against their tax (N.J.S.A. 54:10A-5). For tax years beginning on and after January 1, 2022, the credit can be applied to the minimum tax and to payments made on behalf of nonconsenting shareholders (N.J.S.A. 54:10A-5.23). S corporations can also choose to flow the current year's credit through to their shareholders (if all shareholders are individuals, estates, or trusts) or apply the current year's credit to their own Form PTE-100 if they elect to pay the Pass-Through Business Alternative Income Tax. Any carryover from prior years must be applied to the regular or minimum tax or to payments made on behalf of nonconsenting shareholders on Form CBT-100S.

For tax years beginning on and after January 1, 2022, any excess credit will be refunded and can no longer be carried over.

Note: Fiscal year taxpayers whose tax year begins prior to January 1, 2022, must use the 2021 Form 329 when filing their 2022 return.

An exempt corporate member that is exempt from tax pursuant to section 3 of P.L. 1945, c.162 (C.54:10A-3) can file Form A-3730 to request a refund of its share of the tax paid by the pass-through entity.



If the taxpayer claims this credit on Form CBT-100, CBT-100U, CBT-100S, or BFC-1, a completed Form 329 and copies of all PTE-K-1(s) received must be included with the return.

Combined Return Filers

If filing a combined return, this form must be completed by the member that earned the credit. All combined return filers must check the combined return filers box at the top of the form and complete Part II, Section A. See instructions for Part II.



Taxpayers must include the appropriate credit form in the year the credit was earned even if they are not claiming the credit on their tax return.

Part I – Calculation of the Allowable Credit Amount and Refund for CBT-100 and BFC-1 Filers only

For CBT-100 and BFC-1 filers, the allowable Pass-Through Business Alternative Income Tax Credit is calculated in Part I.

Line 5 – The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

| New Jersey Gross Receipts | CBT-100/BFC-1 |
|---|---------------|
| Less than \$100,000 | \$500 |
| \$100,000 or more but less than \$250,000 | \$750 |
| \$250,000 or more but less than \$500,000 | \$1,000 |
| \$500,000 or more but less than \$1,000,000 | \$1,500 |
| \$1,000,000 or more | \$2,000 |

If a taxpayer is filing a separate return and is a member of an affiliated or controlled group that has a total payroll of \$5,000,000 or more for the return period, the minimum tax is \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. The minimum tax is \$2,000 for each member of a combined group that has nexus with New Jersey.

Line 7 – Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.

Part II – Calculation of the Allowable Credit Amount and Refund for CBT-100S Filers only

For CBT-100S filers, the allowable Pass-Through Business Alternative Income Tax Credit is calculated in Part II.

Line 13 – Enter the Share of Pass-Through Business Alternative Income Tax shown on the PTE-K-1(s) received.

Check the appropriate box to indicate how the total amount on line 13 will be applied.

- CBT-100S tax liability or tax paid on behalf of nonconsenting shareholders – Check box A and continue with line 14.

- Allocated to the shareholders – Check box B and enter the amount allocated to each partner in the applicable section(s) of Schedule K or K Liquidated, Form CBT-100S. (This option is only available if all partners are individuals, estates, or trusts.) If there is a carryover from 2021, continue to line 14. If there is no carryover from 2021, do not complete the rest of the form.
- Pass-Through Business Alternative Income Tax – Check box C and enter on Form PTE-100, line 6. If there is a carryover from 2021, continue to line 14. If there is no carryover from 2021, do not complete the rest of the form.

Line 15 – If box B or C is checked at line 13, enter only the amount from line 14. The current year amount from line 13 will be reported on the CBT-100S, Schedule K or K Liquidated or on Form PTE-100. Carryovers cannot be allocated to shareholders or applied to the PTE-100 and must be applied to the tax and to payments made on behalf of nonconsenting shareholders on Form CBT-100S.

Line 17 – The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

| New Jersey Gross Receipts | CBT-100S |
|---|----------|
| Less than \$100,000 | \$375 |
| \$100,000 or more but less than \$250,000 | \$562 |
| \$250,000 or more but less than \$500,000 | \$750 |
| \$500,000 or more but less than \$1,000,000 | \$1,125 |
| \$1,000,000 or more | \$1,500 |

If a taxpayer is filing a separate return and is a member of an affiliated or controlled group that has a total payroll of \$5,000,000 or more for the return period, the minimum tax is \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. The minimum tax is \$2,000 for each member of a combined group that has nexus with New Jersey.

Line 19 – Taxpayers claiming multiple credits must list any credits already applied to the tax liability to ensure accuracy of the calculation for maximum credit allowable.

Part III – Calculation of the Allowable Credit Amount and Refund for CBT-100U Filers only

For CBT-100U filers, the allowable Pass-Through Business Alternative Income Tax Credit is calculated in Part III.

For CBT-100U filers, and allowable Pass-Through Business Alternative Income Tax Credit for the current year is calculated in Part III. All combined return filers must complete Section A.

Unitary Credits. If the pass-through entity is unitary with both the member and the combined group, the credit can be shared and used to reduce the total surtax and total Corporation Business Tax liability of the group. All combined return filers with a unitary credit must complete Section B.

Members Opting Not to Share Unitary Credits. If the member's credit is unitary, the member can choose to share the unitary credit with the group. However, members are not required to share their credits. See N.J.S.A. 54:10A-4.6.i and TB-90(R), *Tax Credits and Combined Returns*. In addition to Sections A and B, members that choose not to share their unitary credit must also complete Section C and fill in the oval at the top of the form to indicate they are not sharing the credit.

Nonunitary Credits. If the pass-through entity is not unitary with the combined group, the credit cannot be shared and can only be used to reduce the total surtax and total Corporation Business Tax liability of the member on income that was derived from the member's activities that are independent of the unitary business of the combined group. Do not use Sections B and C to calculate the amount of a nonunitary credit. See "Calculation of Allowable Nonunitary Credit" in the instructions for Section A.

Section A – To be completed by ALL combined return filers

Line 25 – Enter the requested information for each pass-through entity that provided a Schedule PTE-K-1 to the member. If the pass-through entity is unitary with both the member and the combined group, enter the amount in the unitary column. If the entity is **not** unitary with the combined group, enter the amount in the nonunitary column.

Calculation of Allowable Nonunitary Credit. Do not use Sections B and C to calculate the allowable amount of a nonunitary credit. If the member has an amount on line 27b, calculate the allowable portion based on the tax liability attributable to the member's income that was independent of the unitary group. The amount of credit calculated in addition to any other credits allowed cannot reduce the tax liability to an amount less than the statutory minimum tax. Include the allowable portion in the member's column of Part I, Schedule A-3 of the CBT-100U. Any balance of available credit can be applied to the surtax that is attributable to the member's income that was independent of the unitary group. Include this amount in the member's column of Schedule A-5, Part II, line 4 of CBT-100U. Include a rider showing the calculations.

Section B – To be completed by ALL combined return filers with unitary credits

This section calculates the amount of credit allowable for the group. If a member chooses not to share their unitary credit with the group, Section B must still be completed to ensure the credit allowed for the member does not exceed the amount that would otherwise be allowed against the group tax liability.

The amount of the credit calculated in this section cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

Line 29 – Multiply the number of taxable group members by \$2,000 and enter the result.

Line 31 – Combined groups claiming multiple credits must list any credits already applied to the group tax liability to ensure accuracy of the calculation for maximum credit allowable.

Section C

This section is used to calculate the amount of credit allowable for members that choose not to share their unitary credit with the group. Section C is completed based on the member's share of the group tax liability. The amount of credit calculated in this section cannot reduce the tax liability to an amount less than \$2,000. The amount of the credit is also limited to the amount that would otherwise be allowed against the group tax liability if the member had been sharing the credit.

Line 40 – Members claiming multiple credits must list any credits already applied to the member's tax liability to ensure accuracy of the calculation for maximum credit allowable.