

## **Composite Returns**

Qualified nonresident individuals only can participate in a composite Gross Income Tax return, form NJ-1080C, and they do not have to file their own income tax return with the State. To qualify the individual must meet the following criteria:

1. The individual was a nonresident for the entire year.
2. The individual did not maintain a permanent place of abode in New Jersey at any time during the year.
3. The individual was not a fiscal filer.
4. The individual did not have any income derived from or connected with New Jersey sources other than the income reported on composite returns.
5. The individual waives the right to claim any exemptions, deductions, or credits and agrees to have the tax calculated at the highest rate in effect for a single taxpayer.
6. The individual elects to be included in a composite return by completing and delivering to the filing entity form NJ-1080-E.

Entities eligible to file composite returns on behalf of their members are:

1. Professional Athletic teams
2. Partnerships
3. Limited Partnerships
4. Limited Liability Company
5. Estates and Trusts
6. New Jersey Electing S Corporation

Entities that have 25 or more participants must file on diskette. General diskette specifications are included in the NJ-1080-C packet.

See regulation 18:35-5.2 for more detail on the filing of composite tax returns.