New Jersey Corporation Business Tax
Effluent Equipment Tax Credit

Part I Qualifications

1. Did the taxpayer purchase the effluent treatment equipment or conveyance equipment in a tax period beginning on or after July 1, 2002?

2. Has the taxpayer applied for or received a determination of environmentally beneficial operation from the Commissioner of the Department of Environmental Protection with respect to the equipment for which the credit is sought?

3. Is the equipment used exclusively in New Jersey?

Note: If the answer to any of the above questions is "NO," do not complete the rest of this form. The taxpayer does not qualify for this tax credit. Otherwise, go to Part II.

Part II Effluent Treatment and Conveyance Equipment

<table>
<thead>
<tr>
<th>(A) DESCRIPTION</th>
<th>(B) MONTH &amp; YEAR PLACED IN SERVICE</th>
<th>(C) COST</th>
<th>(D) LOAN AMOUNT FROM DEPT OF ENVIRONMENTAL PROTECTION PLUS SALES &amp; USE TAX PAID</th>
<th>(E) COLUMN (C) MINUS COLUMN (D)</th>
<th>(F) 50% OF COLUMN (E)</th>
<th>(G) # OF MONTHS USED IN N.J.</th>
<th>(H) COLUMN (F) X COLUMN (G) DIVIDED BY 12</th>
<th>(I) CREDIT USED/SHARED IN PRIOR YEARS</th>
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<tbody>
<tr>
<td>a)</td>
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<td>Total</td>
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</tbody>
</table>

Part III Calculation of Available Credit

4. Enter the total of column (H), Part II

5. Enter the total of column (I), Part II

6. Subtract line 5 from line 4

7. Enter 20% of line 4

8. Total credit available. Enter the lesser of line 6 or line 7

Part IV Calculation of Allowable Credit Amount

(Combined return filers DO NOT complete Part IV. Continue with Part V.)

9. Enter tax liability from page 1, line 2 of CBT-100, CBT-100S, or BFC-1

10. Enter the required minimum tax liability (see instructions)

11. Subtract line 10 from line 9

12. Enter 50% of the tax liability reported on line 9

13. Enter the lesser of line 11 or line 12

14. Other tax credits used by taxpayer on current year’s return (see instructions):
   (a) 
   (b) 
   (c) 
   (d) 
   Total 14.

15. Subtract line 14 from line 13. If zero or less, enter zero

16. Allowable credit for the current tax period. Enter the lesser of line 8 or line 15 here and on Part I, Schedule A-3 of the CBT-100, CBT-100S, or BFC-1
## Part V  Calculation of Allowable Credit Amount – Combined Return Filers ONLY

17. Enter the group tax liability from Schedule A, Part III, line 5, column (a) of CBT-100U

18. Enter the aggregate minimum tax of combined group members (see instructions)

19. Subtract line 18 from line 17

20. Enter 50% of the tax liability reported on line 17

21. Enter the lesser of line 19 or line 20

22. Other tax credits used by combined group on current year’s return (see instructions):
   - (a)
   - (b)
   - (c)
   - (d)  

23. Subtract line 22 from line 21. If zero or less, enter zero

24. Allowable credit for the current tax period. Enter the lesser of line 8 or line 23. If sharing, also enter in the member’s column of Part I, Schedule A-3 of the CBT-100U

### If NOT sharing credit, complete Section B.

#### Section B – Combined Return Filers NOT Sharing Credit

25. a) Enter combined group tax liability from line 17

25b.  

25c.  

26. Required minimum tax liability

27. Subtract line 26 from line 25c

28. Enter 50% of the tax liability reported on line 25c

29. Enter the lesser of line 27 or line 28

30. Other tax credits used by taxpayer on current year’s return (see instructions):
   - (a)
   - (b)
   - (c)
   - (d) 

31. Subtract line 30 from line 29. If zero or less, enter zero

32. Allowable credit for the current tax period. Enter the lesser of line 24 or line 31 here and in the member’s column of Part I, Schedule A-3 of the CBT-100U
Instructions for Form 312
Effluent Equipment Tax Credit

This form must be completed by any taxpayer claiming an Effluent Equipment Tax Credit on CBT-100, CBT-100U, CBT-100S, or BFC-1 in accordance with N.J.S.A. 54:10A-5.31, P.L. 2001, c.32, Section 1. A completed Form 312 must be included with the return to validate the claim.

Unused tax credits may be claimed in subsequent tax years subject to the limitations set forth on this form.

Parts IV and V are used to calculate the allowable credit and carryover. Taxpayers filing Forms CBT-100, CBT-100S, or BFC-1 complete Part IV and CBT-100U filers complete Part V.

Combined Return Filers
If filing a combined return, the 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 V, Section A.

Members Opting Not to Share. In general, tax credits are earned by a member of the combined group and are shareable with the combined 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 Section A, members that choose not to share must also complete Part V, Section B and fill in the oval at the top of the form to indicate they are not sharing the credit.

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 – Qualifications
To be eligible for the tax credit, the answer to all questions in Part I must be “YES.” If the answer to any of the questions is “NO,” the taxpayer is not entitled to the Effluent Equipment Tax Credit.

Taxpayers that have received the determination of environmentally beneficial operation from the Commissioner of the Department of Environmental Protection must include a copy of each determination along with Form 312 with the tax return. Also, taxpayers must include an affidavit stating that the treatment equipment or conveyance equipment is or will be used exclusively in New Jersey.

Note: No amount of cost included in the calculation of this tax credit shall be included in the costs for calculation of any other credit against the tax imposed pursuant to section 5 of P.L. 1945, c.162 (N.J.S.A. 54:10A-5).

Part II – Effluent Treatment and Conveyance Equipment
Complete the information requested in each of the columns (A) through (I) for each piece of equipment. If additional space is needed, include a rider in like format containing the information required in columns (A) through (I).

The cost amount to be reported in column (C) is the invoice cost of the equipment.

Column (D) must reflect the total of the amount of any loan from the Department of Environmental Protection made pursuant to section 5 of P.L. 1981, c. 278 as amended (N.J.S.A. 13:1E-96) plus the amount of any Sales and Use Tax paid pursuant to P.L. 1966, c.30 as amended (N.J.S.A. 54:32B-1 et seq.).

Enter in column (G) the number of months that the equipment was used in New Jersey during the period covered by the return.

The prorated credit amount, reported in column (H), is computed by multiplying column (F) by column (G) and dividing the result by 12.

Enter the totals of the amounts reported in columns (H) and (I) in the space provided. Combined return filers, include in column (I) any amounts shared with other members in prior years.

Part III – Calculation of Available Credit
Follow the instructions on lines 4 through 8 to calculate the total Effluent Equipment Tax Credit.

Part IV – Calculation of Allowable Credit Amount (for CBT-100, CBT-100S, and BFC-1 Filers only)
For CBT-100, CBT-100S, and BFC-1 filers, the allowable Effluent Equipment Tax Credit for the current year is calculated in Part IV. Combined return filers do not complete Part IV, and must complete Part V instead. The amount of this credit in addition to the amount of any other tax credits taken is limited to 50% of the taxpayer’s total tax liability and cannot exceed an amount that would reduce the total tax liability below the statutory minimum.
The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

<table>
<thead>
<tr>
<th>New Jersey Gross Receipts</th>
<th>CBT-100/BFC-1</th>
<th>CBT-100S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100,000</td>
<td>$500</td>
<td>$375</td>
</tr>
<tr>
<td>$100,000 or more but less than $250,000</td>
<td>$750</td>
<td>$562</td>
</tr>
<tr>
<td>$250,000 or more but less than $500,000</td>
<td>$1,000</td>
<td>$750</td>
</tr>
<tr>
<td>$500,000 or more but less than $1,000,000</td>
<td>$1,500</td>
<td>$1,125</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
<td>$2,000</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

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.

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 V – Calculation of Allowable Credit Amount for Combined Return Filers

For CBT-100U filers, the total and allowable Effluent Equipment Tax Credit for the current year is calculated in Part V. All combined return filers must complete Section A. Members that choose not to share their credit must also complete Section B.

#### Section A – To be completed by ALL combined return filers

This section calculates the amount of credit allowable for the group. If a member chooses not to share their credit with the group, Section A 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 exceed 50% of the group tax liability otherwise due and cannot reduce the tax liability to an amount less than the aggregate statutory minimum tax of the group members.

#### Line 18 – Multiply the number of taxable group members by $2,000 and enter the result.

#### Line 22 – 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 B

This section is used to calculate the amount of credit allowable for members that choose not to share their credit with the group. Section B is completed based on the member’s share of the group tax liability. The amount of the credit calculated in this section cannot exceed 50% of the member’s tax liability otherwise due and 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 30 – 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.