

# 2023 CBT-100

## General Instructions for New Jersey Corporation Business Tax Return and Related Forms

### Electronic Filing Mandate

All taxpayers and tax preparers must file Corporation Business Tax returns and make payments electronically. This mandate includes all returns, estimated payments, extensions, and vouchers. Visit [the Division's website](#) or check with your software provider to see if they support any or all of these filings.

**Note:** For privilege periods ending on and after July 31, 2023, banking corporations and financial business corporations that are separate filers will use Form CBT-100 to file their returns (previously these entities may have filed Form BFC-1). This also means that these filers are now subject to the electronic filing requirements for all tax filings and payments. BFC filers that submitted their payments through Electronic Funds Transfer (EFT) should verify that they are using the correct [EFT codes](#).

To file and pay the annual report electronically, visit the Division of Revenue and Enterprise Services' [website](#).

**FYI**

Form BFC-1 has been discontinued. Schedule A-7 and Schedule L have also been discontinued. For privilege periods ending on and after July 31, 2023, banking corporations and financial business corporations that are separate filers must use Form CBT-100. In addition, any ancillary forms (e.g., Form BFC-200T) have also been discontinued. The corresponding Corporation Business Tax form will be used for all prospective filings.

### Before You Begin

*Read all instructions carefully before completing returns.*

**Include a complete copy of the federal Form 1120 (or any other federal corporate return filed)** and all related forms and schedules. See Technical Bulletin, [TB-98\(R\)](#), *Federal Return and the Forms and Schedules to Include with the Corporation Business Tax Return*. Corporations that are part of a federal consolidated group must include a federal income tax return and the consolidating schedules showing the income statement, balance sheets, and all other supporting information for the taxpayer.

Form 1120-F filers attach the 1120-F to the return. If no 1120-F was completed but the income was reported on Form 5471, attach the 5471. If a non-U.S. corporation did not file federal Form 1120-F and the income was not reported on federal Form 5471, it must complete an 1120-F reporting its income and tax attributes as though the entity filed a federal return.

### Personal Liability of Officers and Directors

Any officer or director of any corporation who shall distribute or cause to be distributed any assets in dissolution or liquidation to the stockholders without having first paid all corporation franchise taxes, fees, penalties and interest imposed on said corporation, in accordance with [N.J.S.A. 14A:6-12](#), [N.J.S.A. 54:50-18](#) and other applicable provisions of law, shall be personally liable for said unpaid taxes, fees, penalties, and interest. Compliance with [N.J.S.A. 54:50-13](#) is also required in the case of certain mergers, consolidations, and dissolutions.

### Distortion of Net Income

The Director is authorized to adjust and redetermine items of gross receipts and expenses as may be necessary to make a fair and reasonable determination of tax payable under the Corporation Business Tax Act. For details regarding the conditions under which this authority may be exercised, see regulation [N.J.A.C. 18:7-5.10](#).

### Accounting Method

The return must be completed using the same method of accounting, cash, accrual or other basis, that was employed in the taxpayer's federal income tax return.

### Federal/State Tax Agreement

The New Jersey Division of Taxation and the Internal Revenue Service participate in a federal/State program for the mutual exchange of tax information to verify the accuracy and consistency of information reported on federal and New Jersey tax returns.

### Corporations Required to File

In general, every corporation existing under the laws of the State of New Jersey is required to file a Corporation Business Tax return.

In addition, a return must be filed by every foreign corporation that:

1. Holds a general certificate of authority to do business in this State issued by the Secretary of State; or
2. Holds a certificate, license, or other authorization issued by any other department or agency of this State authorizing the company to engage in corporate activity within this State; or
3. Does business in this State; or
4. Employs or owns capital within this State; or
5. Employs or owns property in this State; or
6. Maintains an office in this State; or
7. Derives receipts within this State that meet the thresholds for bright-line economic nexus; or
8. Engages in contacts within this State; or
9. Maintains a stock of goods in New Jersey and makes deliveries to customers from such stock.

A foreign corporation that is a partner of a New Jersey partnership is deemed subject to tax in the State and must file a return.

**NEW FOR 2023**

**Nexus.** For privilege periods ending on and after July 31, 2023, corporations deriving receipts from sources in New Jersey will be deemed to have bright-line economic nexus if during the corporation's tax year:

- The receipts derived from New Jersey sources are more than \$100,000, or
- 200 or more separate transactions are delivered to customers in New Jersey.

Corporations that do not meet either threshold above, and do not create nexus in another way, do not have nexus even

if they have New Jersey receipts. For more information, see [TB-108](#), *Nexus for Corporation Business Tax for Privilege Periods Ending on and after July 31, 2023*.

The attributes and activities of a QSSS, disregarded entity, or unitary partnership are included as part of its parent corporation's attributes and activities when determining whether the corporation has nexus.

**Corporations Claiming P.L. 86-272.** Foreign corporations that meet the filing requirements and whose income is immune from tax pursuant to Public Law 86-272, must obtain and complete [Schedule N](#), Nexus – Immune Activity Declaration, and all of the schedules from the CBT-100. In addition, taxpayers must include a copy of the [Nexus Questionnaire](#). P.L. 86-272 filers are not subject to the surtax imposed by [N.J.S.A. 54:10A-5.41](#), and will enter zero on page 1, line 5. These corporations must remit the minimum tax with the CBT-100.

**Note:** Check the box on page 1 to indicate the corporation is claiming P.L. 86-272.

For more information, see [TB-109](#), *Combined Group Filing Methods for Privilege Periods Ending On and After July 31, 2023*.

**Out-of-Business Corporations.** Corporations that are “out of business” but have not dissolved or withdrawn their authority to do business in New Jersey, are still obligated to file a return. A dissolution or withdrawal date must be established on or before the last day of the current taxable period to avoid having to file a return for the next tax period.

**New Corporations.** Every New Jersey corporation acquires a taxable status beginning 1) on the date of its incorporation, or 2) on the first day of the month following its incorporation if so stated in its certificate of incorporation. Every corporation that incorporates, qualifies, or otherwise acquires a taxable status in New Jersey must file a Corporation Business Tax return. A tax return must be filed for each fiscal period, or part thereof, beginning on the date the corporation acquired a taxable status in New Jersey regardless of whether it had any assets or conducted any business activities. No return may cover a period exceeding 12 months, even by a day.

**S Corporations.** For privilege periods beginning on or after December 22, 2022, a corporation that has elected and qualifies to be an S corporation pursuant to Section 1361 of the Internal Revenue Code is required to file Form CBT-100S unless the shareholders elect to be treated as a C corporation for New Jersey purposes. See Hybrid Corporations.

**Note:** Corporations filing as New Jersey S corporations must use Form CBT-100S. Form CBT-100 (or Form CBT-100U if they are part of a combined group) cannot be used to file an S corporation return.

**Hybrid Corporations.** A federal S corporation or Qualified Subchapter S Subsidiary that elects to file as a C corporation for New Jersey purposes is a hybrid corporation. For information on filing requirements, see [TB-105](#), *Corporation Business Tax and Gross Income Tax Guidance regarding S Corporations and Qualified Subchapter S Subsidiaries*.

Federal S corporations that have elected to be New Jersey C corporations must complete Form CBT-100 or Form CBT100U, whichever is applicable, as though no election had been made

under I.R.C. § 1362. A copy of Form 1120-S as filed must accompany the return that is submitted to New Jersey.

**Note:** Check the box on page 1 to indicate the corporation is a hybrid corporation.

**Domestic International Sales Corporations (DISC).** A DISC must complete this return as though no election had been made under Sections 992-999 of the Internal Revenue Code. A DISC must complete all applicable schedules on the return.

**Combinable Captive Insurance Companies.** Combinable captive insurance companies are not exempt from the Corporation Business Tax. If the combinable captive insurance company is not included as a member of a combined group filing a New Jersey Corporation Business Tax Unitary Return, Form CBT-100U, they must file a separate New Jersey Corporation Business Tax Return, Form CBT-100.

**Note:** A regular captive insurance company that does not meet the definition of a *combinable captive insurance company* in [N.J.S.A. 54:10A-4\(y\)](#) is exempt from the Corporation Business Tax.

For more information, see [TB-86\(R\)](#), *Included and Excluded Business Entities in a Combined Group and the Minimum Tax of a Taxpayer that is a Member of a Combined Group*.

**Foreign Sales Corporations (FSC).** An FSC must complete this return as though no election had been made under Sections 922-927 of the Internal Revenue Code. FSCs must complete all applicable schedules on the return. Under Section 5, P.L. 106-519, no corporation may elect to be an FSC after September 30, 2000.

**NEW FOR 2023** **Financial Business Corporations.** Corporations that qualify as financial businesses, those that derive 75% of their gross income from the financial activities enumerated at [N.J.A.C. 18:7-1.16\(a\)1](#) through (a)7, must file the New Jersey Corporation Business Tax Return, Form CBT-100 or the Corporation Business Tax Unitary Return, Form CBT-100U. All financial business corporations must check the box on page 1 to indicate that they are filing as a financial corporation.

**NEW FOR 2023** **Banking Corporations.** Banking corporations as defined in [N.J.S.A. 54:10A-36](#), must file the New Jersey Corporation Business Tax Return, Form CBT-100 or the Corporation Business Tax Unitary Return, Form CBT-100U. All banking corporations must check the box on page 1 to indicate that they are filing as a banking corporation.

**Professional Corporations.** Corporations formed under [N.J.S.A. 14A:17-1](#) et seq. or any similar laws of a possession or territory of the U.S., a state, or political subdivision thereof, must complete Schedule PC. Examples of licensed professionals include certified public accountants, architects, optometrists, professional engineers, land surveyors, land planners, chiropractors, physical therapists, registered professional nurses, dentists, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, veterinarians, and attorneys.

**Investment Company/Captive Investment Company.** Taxpayers that meet statutorily enumerated definitions of a “captive” must be included as members of the combined group. A business that is **not** included on a New Jersey Corporation

Business Tax Unitary Return, Form CBT-100U must meet the statutory definition of an investment company (N.J.S.A. 54:10A-4(f)) to qualify for the preferential tax treatment prescribed by N.J.S.A. 54:10A-5(d). Investment companies of which at least 50 percent of the shares, by vote or value, are owned or controlled, directly or indirectly, by a state or federally chartered bank, savings bank, or savings and loan association with assets that do not exceed \$15 billion or that otherwise do not meet the definition of a “captive” investment companies file Form CBT-100.

**Regulated Investment Company/Captive Regulated Investment Company.** Taxpayers that meet statutorily enumerated definitions of a “captive” must be included as members of the combined group. A Regulated Investment Company that is **not** included on a New Jersey Corporation Business Tax Unitary Return, Form CBT-100U, is subject to the minimum tax and only completes page 1, the Annual General Questionnaire, Schedule A, and Schedule J of a separate New Jersey Corporation Business Tax Return, Form CBT-100, if they meet the qualifications detailed in Part II of the Annual General Questionnaire. The election is effective only for the particular year covered by the return. Regulated investment companies of which at least 50 percent of the shares, by vote or value, are owned or controlled, directly or indirectly, by a state or federally chartered bank, savings bank, or savings and loan association with assets that do not exceed \$15 billion or that otherwise do not meet the definition of a “captive” regulated investment companies file Form CBT-100.

**Real Estate Investment Trust/Captive Real Estate Investment Trust.** Real estate investment trusts that meet the statutorily enumerated definitions of a “captive” must be included as members of the combined group. A real estate investment trust that is **not** included on a New Jersey Corporation Business Tax Unitary Return, Form CBT-100U, files a separate New Jersey Corporation Business Tax Return, Form CBT-100. The election is effective only for the particular year covered by the return. Real estate investment companies of which at least 50 percent of the shares, by vote or value, are owned or controlled, directly or indirectly, by a state or federally chartered bank, savings bank, or savings and loan association with assets that do not exceed \$15 billion or that otherwise do not meet the definition of a “captive” Real estate investment companies file Form CBT-100.

**Inactive Corporations.** Inactive corporations that, during the period covered by the return, did not conduct any business, did not have any income, receipts or expenses, and did not own any assets, must complete the Certification of Inactivity section on page 1. Payment for the related minimum tax liability and the installment payment (if applicable) must be submitted electronically. See the Page 1 section for more information.

## Combined Reporting

New Jersey enacted mandatory combined reporting for unitary businesses for tax years ending on and after July 31, 2019. Groups of companies that have common ownership and are engaged in a unitary business, where at least one member of the group is subject to the New Jersey Corporation Business Tax, are required to calculate their tax liability on a combined basis on Form CBT-100U, Corporation Business Tax Unitary Return.

A member of a combined group filing a New Jersey combined return does not have to file a separate return for the privilege period or portion of the privilege period thereof that the taxpayer was included as a member of the combined return. A

combined group member with business operations that are independent of the unitary business activity of the combined group must report such income on Schedule X. Schedule X is submitted with the combined return. The member will not complete a separate return.

Visit the Division’s [website](#) for information about combined reporting.

**Note:** A taxpayer that has nexus with New Jersey that is part of a combined group or affiliated group, but excluded from the New Jersey combined return must file a separate return.

**Former Member of Combined Group.** A taxpayer that was a member of a combined group filing a New Jersey combined return for part of the group privilege period and subsequently departs the combined group to file on a separate entity basis must report the income for months subsequent to departing the combined group on a separate return (Form CBT-100) unless the taxpayer joined a second combined group that files a New Jersey combined return. The taxpayer filing a separate return would not report the income on Form CBT-100 for the months during which the member was part of the combined group. If determining what amount of income is attributable to the portions of the twelve-month period are for the periods before and after departing a combined group, the taxpayer must prorate their income/losses and receipts.

## When to File

### 2023 Accounting Periods and Due Dates

The 2023 Corporation Business Tax return should only be used for accounting periods ending on and after July 31, 2023, through June 30, 2024.

New Jersey Corporation Business Tax returns and payments, except estimated payments, are due the 15th day of the month following the month the federal corporate income tax return is originally due. If the due date falls on a weekend or a legal holiday, the return and payment are due on the following business day. Use the following schedule for 2023 CBT-100 forms and payments:

If accounting period ends on:	July 31, 2023	Aug. 31, 2023	Sept. 30, 2023	Oct. 31, 2023	Nov. 30, 2023	Dec. 31, 2023
Due date for filing is:	Dec. 15, 2023	Jan. 15, 2024	Feb. 15, 2024	Mar. 15, 2024	Apr. 15, 2024	May 15, 2024
If accounting period ends on:	Jan. 31, 2024	Feb. 28, 2024	Mar. 31, 2024	Apr. 30, 2024	May 31, 2024	June 30, 2024
Due date for filing is:	June 15, 2024	July 15, 2024	Aug. 15, 2024	Sept. 15, 2024	Oct. 15, 2024	Nov. 15, 2024

Calendar or fiscal accounting year is the same accounting period that the taxpayer is required to report to the United States Treasury Department for federal income tax purposes. The ending month of the accounting period for federal returns and New Jersey returns must match, however, the tax return year for the federal and State returns may differ. (i.e., a tax year ending 8/31/23 may be filed on a 2022 federal Form 1120; the same tax year must be filed on a 2023 New Jersey CBT-100.) All accounting periods must end on the last day of the month even if the taxpayer uses the same 52-53 week accounting year that is used for federal income tax purposes. See N.J.A.C. 18:7-2.3. The Division is aware that taxpayers cannot properly input dates for 52-53 week accounting years. In this case, taxpayers must enter the last day of the month. Attach a rider showing the correct accounting period. Returns for prior tax years are available on the Division’s [website](#).

## Extension of Time to File

The Tentative Return and Application for Extension of Time to File, Form CBT-200-T, **must be filed and paid electronically**. You can also check with your software provider to see if the software you use supports filing of extensions.

**Note:** Banking corporations and financial corporations previously used Form BFC-200-T, which was discontinued for privilege periods ending on and after July 31, 2023. Going forward these entities will use the corresponding Corporation Business Tax form and are subject to electronic filing requirements.

Corporations will automatically receive a six-month extension only if they have paid at least 90% of the tax liability and timely filed Form CBT-200-T.


An extension of time is granted only to file your New Jersey Corporation Business Tax return. There is no extension of time to pay the tax due. The Division will notify you only if we deny your extension request, but not until after you actually file your return. Penalties and interest are imposed whenever tax is paid after the original due date.

**Note:** An extension payment must include any applicable professional corporation (PC) fees and/or installment payments. See the online application for more information.

## Payment of Tax

The balance of tax due must be paid in full by the original due date of the return.

In addition, corporations are required to make installment payments of estimated tax. The requirement for making these payments is based on the amount of the total tax liability shown on the most recent return.

 P.L. 2023, c.96 increased the installment payment safe harbor in N.J.S.A. 54:10A-15.2 from \$500 to \$1,500. See page 1, line 7 instructions for more information.

## How to Pay

To make payments electronically, go to the Division of Taxation's [website](#). Taxpayers that do not have access to the internet can call the Division's Customer Service Center at (609) 292-6400.

Taxpayers with a prior year liability of \$10,000 or more in any tax are required to make their payments for all taxes by Electronic Funds Transfer (EFT). For information or to enroll in the program, visit the Division of Revenue and Enterprise Services' [website](#), call (609) 292-9292, fax (609) 984-6681, or write to NJ Division of Revenue and Enterprise Services, EFT Section, PO Box 191, Trenton, NJ 08646-0191.

**Note:** Taxpayers that are required to remit payments by EFT can satisfy the EFT requirement by making e-check or credit card payments.

## Penalties and Interest

**Insufficiency Penalty.** If the amount paid with the Tentative Return, Form CBT-200-T, is less than 90% of the tax liability computed on Form CBT-100, or in the case of a taxpayer whose preceding return covered a full 12-month period, is less than the amount of the tax computed at the rates applicable to

the current accounting year but on the basis of the facts shown and the law applicable to the preceding accounting year, the taxpayer may be liable for a penalty of 5% per month or part of a month not to exceed 25% of the amount of underpayment from the original due date to the date of actual payment.

**Late Filing Penalty.** 5% per month or part of a month on the amount of underpayment not to exceed 25% of that underpayment, except if no return has been filed within 30 days of the date on which the first notice of delinquency in filing the return was sent, the penalty will accrue at 5% per month or part of a month of the total tax liability not to exceed 25% of such tax liability. Also, a penalty of \$100 for each month the return is delinquent may be imposed.

**Late Payment Penalty.** 5% of the balance of tax due paid after the due date for filing the return may be imposed.

**Interest.** 3% above the average predominant prime rate for every month or part of a month the tax is unpaid, compounded annually. At the end of each calendar year, any tax, penalties and interest remaining due will become part of the balance on which interest will be charged. The interest rates assessed by the Division of Taxation are published [online](#).

**Note:** The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.

**Collection Fees.** In addition, if the tax bill is sent to our collection agency, a referral cost recovery fee of 11% of any tax, penalties, and interest due will be added to the liability in accordance with N.J.S.A. 54:49-12.3. If a certificate of debt is issued for the outstanding liability, a fee for the cost of collection of the tax may also be imposed.

**Underpayment of Estimated Tax.** To calculate the amount of interest for the underpayment of estimated tax, complete either Form [CBT-160-A](#) or Form [CBT-160-B](#). If the taxpayer qualifies for any of the exceptions to the imposition of interest for any of the installment payments, Part II must be completed and submitted with the return as evidence of such exception.

**Note:** Banking corporations and financial corporations previously used Form BFC-160-A or Form BFC-160-B, which were discontinued for privilege periods ending on and after July 31, 2023. Going forward these entities will use the corresponding Corporation Business Tax form and are subject to electronic filing requirements.

**Civil Fraud.** If any part of an assessment is due to civil fraud, there shall be added to the tax an amount equal to 50% of the assessment in accordance with N.J.S.A. 54:49-9.1.

**Transacting Business Without a Certificate of Authority.** In addition to any other liabilities imposed by law, a foreign corporation that transacts business in this State without a certificate of authority shall forfeit to the State a penalty of not less than \$200, nor more than \$1,000 for each calendar year, not more than 5 years prior thereto, in which it shall have transacted business in this State without a certificate of authority. N.J.S.A. 14A:13-11(3).



## Amended Returns

To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year.

Beginning with returns for a Tax Year 2019 and after, taxpayers must submit amended CBT returns electronically.

**Note:** Beginning with returns for a Tax Year 2023, banking corporations and financial business corporations that are separate filers must use Form CBT-100. To amend a return, the business must use the same form that was originally filed. This means that for privilege periods ending before July 31, 2023, the business would file an amended Form BFC-1 for the appropriate tax year. However, for privilege periods ending on or after July 31, 2023, the business would file an amended Form CBT-100 for the appropriate tax year and such submissions are required to be made electronically.

### Final Determination of Net Income by Federal Government.

Any change or correction made by the Internal Revenue Service to the federal taxable income must be reported to the Division within 90 days.

## Page 1 Line-by-Line Instructions

Enter the federal employer identification number, New Jersey corporation number, corporation name, and complete address and ZIP Code in the space provided on the return.

Check the appropriate box to indicate whether this is the initial return or an amended return.

If filing an amended return, enter the applicable code in the boxes provided. If using code 10, "Other," enter the reason in the lines provided. If more space is needed, include a rider.

1. Change in allocation factor
2. IRS audit
3. Amended federal 1120 filed
4. To take credit for payments/payments made by a partnership
5. Adjustments to ENI
6. To change credit request to refund request or refund request to credit request
7. Change in filing period
8. Change in tax credits reported
9. Adding or subtracting a combined return member
10. Other

**Note:** Taxpayers cannot file an amended return to change the entity type from an S corporation to a C corporation, or from a C corporation to an S corporation.

Provide the remaining information requested on the top portion of the return. The federal business activity code should be taken from the taxpayer's federal tax return. Provide the location of the corporate books as well as a contact person and phone number. If the corporation is a professional corporation, investment company, regulated investment company, real estate investment trust, hybrid corporation, financial business corporation, banking corporation, or is claiming P.L. 86-272, check the appropriate box.

See the Corporations Required to File section for information on the types of corporations.

**NEW FOR  
2023**

Beginning with Tax Year 2023, real estate investment trusts, investment companies, and regulated investment companies that meet statutorily enumerated definitions of a "captive" must be included as members of the combined group. Visit the Division's website for more information on [combined reporting](#).

All corporations must complete page 1, the Annual General Questionnaire, and Schedules A (Parts I, II, and III), A-2, A-3, A-4, and J of the return.

### Line 1 – Tax Base

Enter amount from line 4 of Schedule A, Part III.

### Line 2a – Amount of Tax

Multiply line 1 by the applicable tax rate:

- If line 1 is greater than \$100,000, the tax rate is 9% (.09).
- If line 1 is greater than \$50,000 and less than or equal to \$100,000, the tax rate is 7.5% (.075). Tax periods of less than 12 months qualify for the 7.5% rate if the prorated taxable net income does not exceed \$8,333 per month.
- If line 1 is \$50,000 or less, the tax rate is 6.5% (.065). Tax periods of less than 12 months qualify for the 6.5% rate if the prorated taxable net income does not exceed \$4,166 per month.

### Line 2b – Total Minimum Tax

Enter the total minimum tax.

The minimum tax is assessed based on the New Jersey gross receipts from Schedule J, line 6 as follows:

<i>New Jersey Gross Receipts</i>	<i>Minimum Tax</i>
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 (as per I.R.C. § 1504 or § 1563) that has a total payroll of \$5,000,000 or more for the tax year, the minimum tax is \$2,000 regardless of the amount of the taxpayer's New Jersey gross receipts. Tax years of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. Total payroll refers to the total payroll of the affiliated group rather than total New Jersey payroll of a single corporation. Taxpayers that are members of an affiliated or controlled group must submit a schedule of payroll per member and a copy of the taxpayer's federal affiliations schedule, Form 851, with the return.

**The minimum tax cannot be prorated. In general, zero (0) returns are not permitted.**

### Line 3 – Tax Credits

Enter the amount from Schedule A-3, Part I, line 30. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

### Line 4 – CBT Tax Liability

Subtract line 3 from the greater of line 2a or 2b.

### Line 5a – Surtax

Every business entity that is subject to the Corporation Business Tax is also subject to the surtax if the business entity has an **allocated taxable net income** in excess of \$1,000,000.

Public utilities and New Jersey S corporations (as defined in N.J.S.A. 54:10A-4(q) and N.J.S.A. 54:10A-4(p), respectively) are exempt from the surtax.

Multiply the amount on Schedule A, Part III, line 2a, 2b, or 2c (whichever is applicable) by the surtax rate. The rate is 2.5% for tax years beginning on or after January 1, 2018, through December 31, 2023.

#### **Line 5b – Pass-Through Business Alternative Income Tax Credit Applied to Surtax**

Enter the amount from Form 329. Do not enter more than the amount of surtax on line 5a. Include Form 329 with the return. See Form 329 instructions for more information.

#### **Line 5c – Balance of Surtax**

Subtract line 5b from line 5a and enter the result.

#### **Line 6 – Tax Due**

Enter the total of line 4 and line 5c.

#### **Line 7 – Installment Payment**

**NEW FOR 2023** For tax years ending on and after July 31, 2023, the threshold for making installment payments is \$1,500.

Taxpayers are required to make installment payments of estimated tax. The requirement for making these payments is:

- **If the 2023 Total Tax Liability is greater than \$1,500**, the taxpayer must make installment payments toward 2024. These payments are to be made electronically on Form CBT-150 and are due on or before the 15th day of the 4th, 6th, 9th and 12th months of the tax year. Taxpayers with gross receipts greater than or equal to \$50,000,000 must make installment payments on the 15th day of the 4th, 6th, and 12th months of the tax year. Information on making these payments can be found on the Division's [website](#).
- **If the 2023 Total Tax Liability is \$1,500 or less**, installment payments may be made as indicated above **OR** in lieu of making installment payments, the taxpayer may make a payment of 50% of the 2023 total tax liability. For taxpayers that qualify and want to take advantage of this option, enter on line 7, 50% of the amount on line 6. This will become part of the payment to be made with the 2023 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2024 return.

**Note:** Banking corporations and financial corporations previously used Form BFC-150, which was discontinued for privilege periods ending on and after July 31, 2023. Going forward these entities will use the corresponding Corporation Business Tax form and are subject to electronic filing requirements. See [Notice: BFC-1 Returns Being Replaced with Form CBT-100](#).

#### **Line 8 – Professional Corporation Fees**

Enter amount from Schedule PC, Part II, line 7.

**Note:** Check the box on page 1 to indicate the corporation is a professional corporation.

See Schedule PC instructions for information about filing requirements and examples of professional corporations.

#### **Line 9 – Total Tax and Professional Corporation Fees**

Enter the total of lines 6, 7, and 8.

#### **Line 10a – Payments and Credits**

Include on this line:

- Installment tax payments made for 2023;
- Amounts paid with tentative return, form CBT-200-T. (Banking corporations and financial corporations previously used Form BFC-200T, which was discontinued for privilege periods ending on and after July 31, 2023.);
- Any overpayment from the preceding tax return that the taxpayer elected to have credited to the current year's tax. Do not include any amount of the overpayment that the taxpayer elected to have refunded.

**Note:** Professional corporation installment payments from the prior year may not be used to offset any current year tax liability and are **not** eligible for refund.

#### **Line 10b – Payments made by Partnerships**

Include the total payments made by partnerships on behalf of the taxpayer that are reported in column 7 on Schedule P-1. Submit copies of the NJK-1s or K-1s (as applicable) reflecting payments made by each partnership entity.

#### **Line 10c – Refundable Tax Credits**

Enter the amount from Schedule A-3, Part II, line 6. Include the applicable credit form(s) with the return. See Schedule A-3 instructions for more information.

#### **Amount Due or Overpayment – Lines 11–17**

Compare lines 10d and 9.

- If line 10d is less than line 9, you have a balance due. Complete lines 11, 12, and 13.
- If line 10d is more than line 9, you have an overpayment. Complete line 12 (if applicable) and lines 14 through 17.

#### **Line 11 – Balance of Tax Due**

Subtract line 10d from line 9 and enter the difference.

#### **Line 12 – Penalty and Interest Due**

Include any penalties and interest. See the Penalties and Interest section for information.

**Note:** If the taxpayer has an overpayment or no tax liability and has calculated penalties and interest due, such amounts must be added to the balance due line or subtracted from the overpayment.

#### **Line 13 – Total Balance Due**

Enter the total of line 11 and line 12.

#### **Line 14 – Amount Overpaid**

Subtract the sum of line 9 and line 12 (if applicable) from the amount on line 10d.

#### **Line 15 – Refund**

Enter the amount of your overpayment that you want refunded.

#### **Line 16 – Credit to 2024**

Enter the amount of your overpayment that you want to credit to your 2024 tax liability.

#### **Line 17 – Credit to a Combined Group**

Enter the amount of your overpayment that you want to credit to a combined group. Also include the unitary ID number and tax return year to which it is to be applied.

**Note:** An overpayment of tax by a corporation can only be credited to a combined group of which the corporation is a member.

## Certification of Inactivity

Inactive corporations must complete page 1, the Annual General Questionnaire, and Schedules A (Parts I, II, and III), A-2, A-3, and A-4 of the CBT-100. A corporate officer must sign and certify that the corporation did not conduct any business, did not have any income, receipts, or expenses, and did not own any assets during the entire period covered by the tax return.

## Signature

Each return must be signed by an officer of the corporation who is authorized to attest to the truth of the statements contained therein and to acknowledge that they understand they are required to include copies of their federal return(s), forms, and schedules. The fact that an individual's name is signed on the return shall be prima facie evidence that such individual is authorized to sign the return on behalf of the corporation.

**Tax preparers** who fail to sign the return or provide their assigned tax identification number shall be liable for a \$25 penalty for each such failure. If the tax preparer is not self-employed, the name of the tax preparer's employer and the employer's tax identification number should also be provided. In the case of a corporation in liquidation or in the hands of a receiver or trustee, certification shall be made by the person responsible for the conduct of the affairs of such corporation.

## Annual General Questionnaire

### Part I

All taxpayers must answer all questions on this schedule. If necessary, include a rider detailing the information requested in the questions.

### Part II

Regulated investment companies must answer all questions in Part II. If the taxpayer does not meet all the requirements, it cannot file as a regulated investment company.

**Note:** Check the box on page 1 to indicate the corporation is a regulated investment company.

## Schedule A

Every taxpayer must complete this schedule.

### Part I – Computation of Entire Net Income

**NEW FOR 2023** **Cannabis Licensees.** The income of a taxpayer, that is registered as a cannabis licensee with New Jersey, shall be determined without regard to 26 U.S.C. s.280E. However, Schedule A, Part I must be completed using the amounts that were reported for federal purposes. The taxpayer will calculate the expenditures that would have been eligible to be claimed as a federal income tax deduction (but that were disallowed for federal purposes because cannabis is a controlled substance under federal law) and include those amounts in New Jersey modifications to entire net income in Part II. The taxpayer must attach a rider detailing the math and the deductions being claimed.

### Line 4 – Dividends and other inclusions

**NEW FOR 2023** Beginning with Tax Year 2023, GILTI is treated as a dividend. Include a copy of federal Form 8992. The

I.R.C. § 250 deductions for GILTI and FDII are no longer allowed.

### Line 5 – Interest

Include a copy of federal Form 8916A if it was completed.

### Lines 8, 9, and 10

Include a rider or schedules showing the same information shown on federal Form 1120, Schedule D and/or Form 4797. Gains and losses resulting from the disposition of property where an I.R.C. § 179 expense deduction was passed through to S corporation shareholders are not reported on federal Form 4797, and should be reported on Schedule A, Part I, line 10. If a sale of shares of stock or partnership interest resulted in a taxable transfer of a controlling interest in certain commercial real property under N.J.S.A. 54:15C-1, indicate on a rider.

### Line 18 – Interest

Include a copy of federal Form 8916A and/or federal Form 8990 if completed.

### Line 25 – Energy efficient commercial buildings deduction

Include a copy of federal Form 7205 if completed.

### Line 28 – Taxable income before federal net operating loss deductions and federal special deductions

The amount on line 28 must agree with line 28, page 1, of the taxpayer's unconsolidated federal Form 1120 or the appropriate line from any other federal corporate return filed.

If the corporation has not filed a separate federal income tax return, taxpayer must explain and reconcile the differences on a rider.

**FYI** Taxpayers must include a copy of the federal return and any forms or schedules that accompanied the return that was filed with the Internal Revenue Service. Failure to include the forms and schedules will result in an incomplete New Jersey Corporation Business Tax return and the taxpayer may be assessed penalties and interest for noncompliance. See Technical Bulletin, [TB-98](#), *Federal Return and the Forms and Schedules to Include with the Corporation Business Tax Return*

### Part II – Modifications to Entire Net Income Additions

#### Line 1 – Taxable income/(loss)

Enter the amount from Schedule A, Part I, line 28.

#### Line 2 – Other federally exempt income

For tax years beginning on and after January 1, 2018, all income that was exempt for federal income tax purposes under any provision of the Internal Revenue Code or any federal law must be added back. If such amounts were not added back on any other line of Schedule A, include such amounts on line 2 and include a rider detailing such amounts and such provisions of the Internal Revenue Code.

**Note:** Items of income excluded from federal taxable net income pursuant to the specific terms of a treaty do not have to be added back to entire net income.

#### Line 3 – Interest on federal, state, municipal, and other obligations

Include any interest income that was not taxable for federal income tax purposes and was not included in taxable net income reported on line 1.

#### Line 4 – New Jersey State and other states taxes

Enter the total taxes paid or accrued to the United States, a possession or territory of the United States, a state, a political subdivision thereof, or the District of Columbia, or to any foreign country, state, province, territory or subdivisions thereof, on or measured by profits or income, business presence or business activity, including any foreign withholding tax, or any sales and use tax paid by a utility vendor, taken as a deduction in Part I of Schedule A and reflected in line 28. For additional information see Technical Bulletin [TB-80](#), *Addback of Other States' Taxes*, and the Schedule H instructions.

#### Line 5 – Depreciation modification being added to income

Enter the depreciation and other adjustments being added to income. See Schedule S instructions for more information.

#### Line 6 – Other additions

Report any other additions to income for which a place has not been provided somewhere else on the return. This includes, but is not limited to:

- I.R.C. § 199A amounts that were deducted for federal purposes;
- Any deductions for research and experimental expenditures, to the extent that those research and experimental expenditures are qualified research expenses or basic research payments for which an amount of credit is claimed pursuant to section 1 of P.L.1993, c.175 (C.54:10A-5.24) unless those research and experimental expenditures are also used to compute a federal credit claimed pursuant to I.R.C. § 41.

**Note:** See [Notice: Timing of New Jersey Qualified Research Expenditures](#).

Include separate riders explaining any items reported.

#### Line 7 – Taxable Income/(Loss)

Add lines 1 through 6.

### Deductions

#### Line 8 – Dividend Exclusion

Enter the amount from Schedule R, line 9.

#### Line 9 – Depreciation modification being subtracted from income

Enter the depreciation and other adjustments being subtracted from income if Schedule S, line 15 is a negative number. Enter the amount as a positive number. See Schedule S instructions for more information.

#### Line 10 – Previously Taxed Dividends

If line 1 includes any dividends or GILTI that were previously taxed for New Jersey purposes, complete Schedule PT and Schedule R to determine the amount that can be deducted. Include only dividends that were taxed in a prior tax year by New Jersey. Do not include any federal previously taxed income that was not taxed by New Jersey. Schedule PT is available on the Division's website.

#### Line 11 – International Banking Facility Deduction (I.B.F.)

A banking corporation, as defined by [N.J.S.A. 54:10A-4\(n\)](#), that is operating as an International Banking Facility may be eligible for an I.B.F. exclusion. Information on the exclusion can be found at [N.J.A.C. 18:7-5.2\(a\)2vii](#) and [N.J.A.C. 18:7-16](#).

**NEW FOR 2023** *For banking corporations only and for privilege periods ending on and after July 31, 2023, the I.B.F. is a pre-allocation exclusion. In addition, the historic*

ordering (preventing the I.B.F. deduction from increasing net operating losses) is no longer applicable. However, the change in historic ordering is prospective only. Taxpayers cannot adjust NOLs and PNOLs from privilege periods ending before July 31, 2023 using the law change from P.L. 2023, c.96.

#### Line 12 – I.R.C. § 78 Gross-up

The portion of any I.R.C. § 78 gross-up included in dividend income on line 4 of Schedule A, Part I, that is not excluded/deducted from taxable net income elsewhere, may be deducted on this line. Include a copy of federal foreign tax credit, Form 1118.

**Note:** I.R.C. § 78 gross-up amounts cannot be included in the dividend exclusion calculation on Schedule R or Form 332, which is the form used to calculate the Tiered Subsidiary Dividend Pyramid Tax Credit.

#### Line 13a – Elimination of Nonoperational Activity

Enter the net effect of the elimination of nonoperational activity from Schedule O, Part I, line 36. Schedule O is available on the Division's website.

#### Line 13b – Elimination of Nonunitary Partnership Income

Enter the net effect of the elimination of nonunitary partnership income and expenses from Schedule P-1, Part II, line 4.

#### Line 14 – Cannabis Licensee Deduction

**NEW FOR 2023** A New Jersey cannabis licensee is allowed to deduct their expenditures that would be eligible to be claimed as a federal income tax deduction and their expenditures that would qualify as qualified research expenditures pursuant to section 174 of the Internal Revenue Code, but were disallowed for federal purposes because cannabis is a controlled substance under federal law. Any qualified research expenditure that is claimed as a deduction may also be claimed as a qualified research expense for purposes of the New Jersey Research and Development Tax Credit on Form 306. Attach a rider detailing the calculations.

#### Line 15 – Other deductions

Report any other deduction adjustments for which a place has not been provided somewhere else on the return. The taxpayer must include a rider detailing the information.

**NEW FOR 2023** For privilege periods beginning on and after January 1, 2022, New Jersey qualified research expenditures that are included on the Corporation Business Tax Research and Development Tax Credit (Form 306) can be deducted on the tax return in the same year that the expenditures are claimed on the credit form, rather than amortizing the expenditures. This deduction only applies to New Jersey qualified research expenditures. Non-New Jersey qualified research expenditures are deductible in the same manner and with the same timing as they are for federal purposes. Enter these amounts on line 15 and include a rider explaining the deduction. See [Notice: Timing of New Jersey Qualified Research Expenditures](#) for more information. Cannabis licensees, include these expenses on line 14, not line 15.

#### Line 16 – Total Deductions

Add line 8 through line 15.

#### Line 17 – Entire net income/(loss) for New Jersey purposes

Subtract line 16 from line 7.



**Line 18 – Allocation Factor from Schedule J**

All taxpayers must complete Schedule J. Enter allocation factor from Schedule J. See Schedule J instructions for more information.

**Line 19 – Allocated entire net income/(loss) before net operating loss deductions**

Multiply line 17 by line 18 and enter the result. If zero or less, enter zero on line 21.

**If the amount is zero or less**, this is the taxpayer’s current year net operating loss that can be carried forward as a post-allocation net operating loss (NOL) deduction to a succeeding tax period pursuant to N.J.S.A. 54:10A-4(v).

**Note:** A net operating loss is the excess of allowable deductions over gross income used in computing entire net income. A net operating loss deduction is not an allowable deduction in computing a net operating loss. Post-allocation net operating losses expire 20 privilege periods after the loss was originally generated. Information on the net operating losses must be detailed on Form 500.

**Line 20 – Net Operating Loss Deduction**

Enter the amount of net operating loss deduction from Form 500, Section C, line 3. Do not enter more than the amount on line 19. See Form 500 instructions.

**Line 21 – Taxable net income**

Subtract line 20 from line 19 and enter the result.

**Part III – Computation of New Jersey Tax Base****Line 1 – Taxable net income**

Enter the amount from Schedule A, Part II, line 21. Most taxpayers will also enter this amount on line 2c. Investment companies and real estate investment trusts must follow the instructions on line 2a or line 2b, respectively.

**FYI** Beginning with Tax Year 2023, captive real estate investment trusts, captive investment companies, and captive regulated investment companies must be included as members of the combined group. For more information on these requirements, see Corporations Required to File. For more information on combined reporting, see the Division’s [website](#).

**Line 2a – Investment Company**

Qualified investment companies enter 40% of line 1. See the Corporations Required to File section for information about investment companies.

**Note:** Check the box on page 1 to indicate the corporation is an investment company.

**Line 2b – Real Estate Investment Trust**

Qualified real estate investment trusts enter 4% of line 1. See the Corporations Required to File section for information about real estate investment trusts.

**Note:** Check the box on page 1 to indicate the corporation is a real estate investment trust.

**Line 2c – All Others**

Enter the amount from line 1 if the taxpayer is not filing as either an investment company or a real estate investment trust.

**Line 3a – New Jersey Nonoperational Income**

Enter the amount from Schedule O, Part III. See Schedule O for more information. This schedule is available on the Division’s [website](#).

**Note:** Taxpayers cannot net nonoperational losses against operational income.

**Line 3b – Nonunitary Partnership Income**

Enter the amount from Schedule P-1, Part II, line 5. See Schedule P-1 instructions for more information.

**Note:** Taxpayers cannot net nonunitary partnership losses against operational income.

**Line 4 – Tax Base**

Add lines 3a and 3b to line 2a, 2b, or 2c, whichever is applicable.

**Schedule A-2****Cost of Goods Sold**

The amounts reported on this schedule must be the same as the amounts reported on the taxpayer’s federal Form 1125-A. Include Form 1125-A with the return.

**Schedule A-3****Summary of Tax Credits**

This schedule must be completed if any tax credits are being claimed for the current tax period. Any tax credit(s) claimed on this schedule must be documented with a valid New Jersey Corporation Business Tax credit form and must be included with the tax return. See the Additional Forms and Instructions section for a list of available credit forms and for instructions on obtaining them. If the taxpayer is claiming a valid tax credit that is allowable in accordance with the New Jersey Corporation Business Tax Act for which a place has not been provided somewhere else on the schedule, report the amount on the “Other” line in the appropriate section of Schedule A-3.

**FYI** 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 – Tax Credits Used Against Liability**

The total on line 30 must equal the amount reported on page 1, line 3. Amounts to be entered are calculated on the credit forms. See the specific New Jersey Corporation Business Tax credit form for information about each credit.

**Note:** Most tax credits cannot reduce the tax liability below the minimum tax. However, there are rare instances where it can. Follow the instructions on the credit form regarding how and where to record the information to ensure the credit is properly offsetting the tax liability.

**Part II – Refundable Tax Credits**

If the credit form calculates an amount to be refunded, enter the refundable portion on the appropriate line. The total on line 6 must equal the amount reported on page 1, line 10c.

## Schedule A-4 Summary Schedule

Every corporation must complete this schedule. Report the information on each line of Schedule A-4 from the return schedules indicated. All lines must be completed as applicable.

## Schedule B Balance Sheet

Every taxpayer must complete this schedule. The amounts reported must be the same as the year-end figures shown on the taxpayer's books. Where applicable, data must match amounts reported on Schedule L of the federal pro forma or federal return. If not, explain and reconcile on rider. Consolidated information is not permitted on separate returns. If the taxpayer is included in a consolidated federal income tax return, this schedule must be completed by the taxpayer on its own separate basis.

## Schedule F General Information and Compensation

All applicable information should be provided for each corporate officer regardless of whether compensation was received. The data reported on Schedule F must match what is reported on federal Form 1125-E. Include Form 1125-E with your return.

## Schedule G

NEW FOR  
2023

Schedule G has been discontinued.

## Schedule H

### Taxes

Itemize all taxes that were in any way deducted in arriving at taxable net income, whether reflected in Schedule A, Part I at line 2 (Cost of goods sold and/or operations), line 17 (Taxes), line 26 (Other deductions), or anywhere else on Schedule A.

## Schedule J

### Computation of Allocation Factor

All taxpayers must complete this schedule.

Only activities related to operational activity are to be used in computing the general allocation factors. If the taxpayer has nonoperational activity, see Schedule O. If the taxpayer has nonunitary partnership income, see Schedule P-1.

### Lines 1-5 – Receipts Fraction

Receipts from sales of tangible personal property are allocated to New Jersey if the goods are shipped to points within New Jersey. Receipts from the sale of goods are allocable to New Jersey if shipped to a New Jersey or a non-New Jersey customer where possession is transferred in New Jersey. Receipts from the sale of goods shipped to a taxpayer from outside New Jersey to a New Jersey customer by a common carrier are allocable to New Jersey. Receipts from the sale of goods shipped from outside New Jersey to a New Jersey location where the goods are picked up by a common carrier and transported to a customer outside New Jersey are not allocable to New Jersey. Receipts from the following are allocable to New Jersey: services performed if the benefit of the service is received in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents,

copyrights, and trademarks; all other business receipts earned in New Jersey.

**Services** are sourced based on market sourcing.

**Receipts from Sales of Capital Assets:** Receipts from sales of capital assets (property not held by the taxpayer for sale to customers in the regular course of business), either within or outside New Jersey, should be included in the numerator and the denominator based on the net gain recognized and not on gross selling prices. If the taxpayer's business is the buying and selling of real estate or the buying and selling of securities for trading purposes, gross receipts from the sale of such assets should be included in the numerator and the denominator of the receipts fraction.

**Note:** The amount of dividends (deemed and/or paid dividends) excluded from entire net income pursuant to N.J.S.A. 54:10A-4(k)(5), are not included in the numerator or denominator of the receipts fraction. However, the dividend (deemed and/or paid dividends) values that are not excluded **are** included in the numerator or denominator.

FYI

GILTI is now treated as a dividend for New Jersey purposes and is reported on the dividends and other inclusions line (Schedule A, Part I, line 4).

### Line 8 – Allocation Factor

Divide line 6 (New Jersey based receipts) by line 7 (Total Receipts everywhere) and enter the result. When computing the allocation factor in Schedule J, division must be carried to six (6) decimal places, e.g., 0.123456.

## Schedule P-1

### Partnership Investment Analysis

#### Part I – Partnership Information

Itemize the investment in each partnership, limited liability company and any other entity that is treated for federal tax purposes as a partnership. List the name, the federal identification number, and the date and state where organized for each partnership. Also, check the type of ownership (general or limited), the tax accounting method used to reflect your share of partnership activity on this return (flow through method or separate accounting) and whether or not the partnership has nexus in New Jersey. Itemize in column 7 the amount of tax payments made on behalf of the taxpayer by partnership entities. Carry the total amount of taxes paid on behalf of taxpayer to page 1, line 10b. Include a copy of Schedule NJK-1 from Form NJ-1065. Any one member limited liability company must be included on this schedule.

#### Part II – Separate Accounting of Nonunitary Partnership Income

Taxpayers that use a Separate Tax Accounting Method on nonunitary partnership investments must complete Part II to compute the appropriate amount of tax. Pursuant to N.J.S.A. 54:10A-6, taxpayers must enter a single sales factor allocation in column 3. Do not use three factor allocation (property, payroll, and sales) from the partnership return (Form NJ-1065).

## Schedule PC

### Per Capita Licensed Professional Fee

Professional corporations (PC) formed under N.J.S.A. 14A:17-1 et seq. or any similar laws of a possession or territory of the U.S., a state, or political subdivision thereof, are liable for a fee on licensed professionals.

Per N.J.S.A. 14A:17-3, examples of licensed professionals are: certified public accountants, architects, optometrists, professional engineers, land surveyors, land planners, chiropractors, physical therapists, registered professional nurses, dentist, osteopaths, physicians and surgeons, doctors of medicine, doctors of dentistry, podiatrists, veterinarians and, subject to the Rules of the Supreme Court, attorneys at law.

**Note:** Licenses acquired through vocational training and/or apprenticeships within those trades are not considered licensed professionals. Examples include plumbers, electricians, HVAC technicians, cosmetologists, fire and burglar alarm services, acupuncturists, hair stylists, elevator, escalator, and moving walkway mechanics, locksmiths, and court reporters.

The fee is assessed provided there are more than two professionals in the PC. The fee is assessed on professionals that are owners, shareholders, and/or employees of the professional corporation. The number of professionals should be calculated using a quarterly average. The fee for each resident and nonresident professional with physical nexus with New Jersey is \$150. The fee for each nonresident professional without physical nexus with New Jersey is \$150 multiplied by the allocation factor of the corporation. The fee is limited to \$250,000 per year.

In the event of a period shorter than a year, the fee and limit may be prorated by months. A fraction of a month is deemed to be a month.

Check the box on page 1 to indicate the corporation is a professional corporation.

Part II, line 4 – Installment Payment: A 50% prepayment towards the subsequent year's fee is required with the current year's return.

Part II, line 8 – Credit: Amount to be credited towards next year's fee. **This fee is not eligible for refund.**

## Schedule P

**NEW FOR 2023** Schedule P has been discontinued.

## Schedule R

### Dividend Exclusion

**NEW FOR 2023** P.L. 2023, c.96, made a series of technical corrections, clarifications, and changes that affect Schedule R.

- For privilege periods ending on and after July 31, 2023, the dividend exclusion is a pre-allocation exclusion.
- The historic ordering limitation (preventing the dividend exclusion from increasing net operating losses) is no longer applicable. However, the change in historic ordering is prospective only. Taxpayers cannot adjust NOLs and PNOLs

from privilege periods ending before July 31, 2023, using the law change from P.L. 2023, c.96.

- GILTI is now treated as a dividend for New Jersey purposes and is reported on the dividends and other inclusions line (Schedule A, Part I, line 4).
- The maximum dividend exclusion increased from 95% to 100% from qualified subsidiaries if such dividends were included in the taxpayer's gross income on Schedule A. However, a claw-back provision that requires a 5% reduction of the exclusion amount has been added (see N.J.S.A. 54:10A-4(k)(5)(F)(ii)).

Taxpayers cannot include the following as part of the dividend exclusion:

- Money market fund or REIT income;
- FDII (as this is not considered income from dividends or deemed dividends for New Jersey Corporation Business Tax purposes); or
- The portion of I.R.C. § 78 gross-up deducted on line 13, Part II, Schedule A.

Dividends and deemed dividends from all sources must be included in Schedule A. However, taxpayers may exclude from entire net income 100% of dividends from qualified subsidiaries, less the 5% clawback, if such dividends were included in the taxpayer's gross income on Schedule A. A qualified subsidiary is defined as ownership by the taxpayer of at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends.

With respect to other dividends, the exclusion is limited to 50% of such dividends included in the taxpayer's gross income on Schedule A, less the 5% clawback, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock.

Any subsidiary that is owned less than 50% is not entitled to a dividend exclusion.

If the taxpayer received tiered dividends from a tiered subsidiary that filed and paid tax in excess of the minimum tax to New Jersey on those same dividends, do not include these dividends on Schedule R.

The tiered dividend exclusion from certain subsidiaries is calculated separately on Form 332. See Form 332 for more information. This form is available on the Division's [website](#).

**FYI**

New Jersey follows the federal ownership attribution rule changes under I.R.C. §958(b) and I.R.C. §318 that broadened the federal attribution rules that were retroactive to January 1, 2017, in addition to the already broad Corporation Business Tax attribution rules.

**Schedule PT – Previously Taxed Dividends:** If you had subsidiary dividend income that was reported in a previous tax year for New Jersey Corporation Business Tax purposes **and** for which you paid greater than the New Jersey minimum tax in that tax year **and** those same dividends are included in your entire net income this tax year, complete Schedule PT in conjunction with Schedule R. See Schedule PT for more information. This schedule is available on the Division's [website](#).

## Schedule S

All taxpayers must complete this schedule and must include a copy of a completed federal Depreciation Schedule, Form 4562. Schedule S provides for adjustments to depreciation and certain safe harbor leasing transactions. Gas, electric and gas, and electric utilities must also complete Schedule S, Part II, for property placed in service prior to January 1, 1998.

### Part I – Depreciation and Safe Harbor Leasing

**FYI**

New Jersey has decoupled from I.R.C. §168(k) bonus depreciation and I.R.C. § 179 expensing provisions. See N.J.S.A. 54:10A-4(k)(12) and N.J.S.A. 54:10A-4(k)(13). Adjustments must be made accordingly.

**Line 1 through Line 6** – These lines detail the depreciation deduction reflected in the Computation of Entire Net Income (Schedule A, Part I) into several categories. In most circumstances, the information can be found on federal Form 4562.

**Line 7** – Enter the amount reported on the federal Form 4562.

**Line 8** – Enter the amount of current depreciation on property placed in service in prior years carried over into the current period.

**Line 9** – Enter the amount from Depreciation Worksheet I, line 10, column F.

**Line 11** – IRC § 179 limitation. Enter the lesser of line 1 or \$25,000.

**Line 12** – Enter the amount from Worksheet II, line 16, column F. If the amount is positive, add it to the total reported on line 15. If it is negative, subtract it from the total.

**Line 13** – Enter any adjustment to depreciation that is an addition. This can include, but is not limited to, partnership activity.

**Line 14** – Enter any adjustment to depreciation that is a deduction. This can include, but is not limited to, partnership activity.

### Part II – New Jersey Depreciation for Gas, Electric, and Gas and Electric Public Utilities

Gas, electric, and gas and electric utilities must complete this schedule to compute their New Jersey depreciation allowable for the single asset account, which is comprised of all depreciable property placed in service prior to January 1, 1998. The basis of this asset account will be the total federal depreciable basis as of December 31, 1997, plus the excess of the book depreciable basis over the federal tax basis as of December 31, 1997. This basis will be reduced yearly by the federal basis of these assets sold, retired or disposed of from January 1, 1998, to date.

**Note:** Gas, electric and gas, and electric utilities may have adjustments from both Part I and Part II. If the taxpayer has amounts reported on Schedule S, Part II, lines 1 through 5, enter the amount from Schedule S, Part I, line 15 onto Schedule S, Part II, line 6b, not Schedule A, Part II, line 5 or line 9.

### Worksheet I

**Column A** – Sort the property you acquired and placed in service during the tax year 2023 according to its classification (3-year property, 5-year property, etc.) as shown in column A.

**Column B** – Use the federal basis adding back the special depreciation reduction.

**Column C** – Enter the bonus depreciation claimed (50% or 30%). If both categories of bonus depreciation are claimed, provide a rider detailing the assets that used 50% and the assets that used 30%.

**Column D** – Enter the convention that was used for federal purposes. The applicable conventions are Half-Year Convention, Mid-Quarter Convention, or the Mid-Month Convention.

**Column E** – Enter the method that was selected for federal purposes. The applicable methods are 200% declining balance, 150% declining balance, or straight-line.

**Column F** – Enter the amount of federal depreciation claimed on federal Form 4562.

**Column G** – To determine the New Jersey depreciation, multiply column B by the applicable rate from the appropriate table (See IRS Pub. 946 for complete tables). Enter the total on Schedule S, Part I, line 9.

### Worksheet II

**Column D** – Enter the federal depreciation claimed up to the date the property was sold.

**Column E** – Enter the New Jersey depreciation claimed up to the date the property was sold.

**Column F** – Enter the difference between column D and column E. If the amount is positive, there is an excess of depreciation that must be added to the federal amount claimed on Part I, line 7. If the amount is negative, there is a deficiency that must be deducted from Part I, line 7.

## Form 500

### Post Allocation Net Operating Loss (NOL) and Prior Net Operating Loss Conversion Carryover (PNOL) Deductions

**NEW FOR 2023** The historic ordering (preventing the dividend exclusion and international banking facility deduction from increasing net operating losses) is no longer applicable.

**Note:** The change in historic ordering is prospective only. Taxpayers cannot adjust NOLs and PNOLs from privilege periods ending before July 31, 2023, using the P.L. 2023, c.96 law change.

For New Jersey Corporation Business Tax purposes, net operating losses and net operating loss carryovers have a 20-year carryover period and can only be carried forward. **No carry-backs are allowed.** PNOLs can only be carried forward for the 20 privilege periods following the period of the initial loss.

For tax years beginning on and after January 1, 2020, the federal rules and regulations governing consolidated return net operating losses and net operating loss carryovers apply to the New Jersey net operating loss carryover provisions to the extent they are consistent with the provisions of the New Jersey Corporation Business Tax Act. If the New Jersey and federal provisions differ, the New Jersey Corporation Business Tax Act provisions govern. New Jersey generally follows the federal rules governing mergers, acquisitions, reorganizations, spin-offs, split-offs, dissolution, bankruptcy, or any form of cessation



of a business. New Jersey also follows any other provision of the federal rules that limits or reduces federal net operating losses and federal net operating loss carryovers.

**Post Allocation Net Operating Loss (NOL)** are losses that were generated in tax years ending on or after July 31, 2019. These losses occur on a post-allocation basis.

NOLs are limited to 80% of the taxpayer's taxable net income for tax years ending on or after July 31, 2023. N.J.S.A. 54:10A-4(w) mandates that the I.R.C. § 172(a) (2) limitation applies to net operating losses calculated pursuant to N.J.S.A. 54:10A-4(v). (August 1, 2023, is substituted for the reference to January 1, 2018, in 26 U.S.C. s.172(a)(2)(A), and July 31, 2023, is substituted for the reference to December 31, 2017, in 26 U.S.C. s.172(a)(2)(A).)

**The Prior Net Operating Losses (PNOL)** are losses that were generated in tax years ending prior to July 31, 2019. In order to use these losses, the unused unexpired amounts must be converted to a post-allocation basis. This conversion is done on Worksheet 500-P.

**FYI** PNOLs must be deducted from allocated entire net income before any NOLs can be deducted.

### Discharge of Indebtedness

If the taxpayer has a discharge of indebtedness amount that is excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of I.R.C. section 108, adjustments need to be made to the PNOLs, NOLs, and/or post allocation net operating loss carryovers. Since the discharge of indebtedness amount is not an allocated amount, the taxpayer must multiply the discharge of indebtedness amount by its current year allocation factor before making any adjustment to the net operating losses or net operating loss carryovers.

The taxpayer must first reduce the PNOLs by the allocated discharge of indebtedness amount. If the allocated discharge of indebtedness amount exceeds all of taxpayer's PNOLs and the taxpayer has post allocation net operating loss carryovers, the taxpayer must also reduce the post allocation net operating loss carryovers by the remaining balance. If, after reducing the post allocation net operating loss carryovers by the discharge of indebtedness amount, there are still post allocation net operating loss carryovers available, the taxpayer may then reduce its allocated entire net income by the remaining post allocation net operating loss carryover.

### Section A – Computation of Prior Net Operating Losses (PNOL) Deduction

This section is only applicable if the taxpayer has loss carryovers from periods ending **prior** to July 31, 2019. Only complete this section if the Allocated Entire Net Income/(Loss) before net operating loss deductions on Schedule A, Part II, line 19 is positive.

If the taxpayer is not claiming a PNOL, enter zero on Section C, line 1 and continue with Section B.

**Line 1** – Enter the total amount reported in Worksheet 500-P, Part II, column 3.

**Line 2** – Enter the amount of PNOL reported on line 1 that was deducted in a previous year.

**Line 3** – Enter the amount of PNOL that has expired.

**Line 4** – Enter the amount excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108). If the amount is greater than the PNOL reported on line 1 (less lines 2 and 3), carry the remainder to Section B, line 5.

**Line 5** – Subtract the amounts reported on lines 2 through 4 from the amount on line 1. This is the total amount of PNOL available for deduction in the current year.

**Line 6** – Enter the amount reported on Schedule A, Part II, line 19. If the amount is less than zero, enter zero.

**Line 7** – Enter the lesser of lines 5 or 6. This is the current year PNOL deduction. Enter the amount on Section B, line 8 and Section C, line 1.

### Section B – Post Allocation Net Operating Losses (NOL)

This section is only applicable to loss carryovers from periods ending **on and after** July 31, 2019. Only complete this section if the Allocated Entire Net Income/(Loss) before net operating loss deductions on Schedule A, Part II, line 19 is positive.

**Line 1** – Enter the amount of loss reported on 2021 Schedule A, Part II, line 22 and/or 2022 CBT-100, Schedule A, Part II, line 19 Enter the year in which the loss was generated.

Section B is used to calculate the amount of the New Jersey post allocation net operating loss carryover.

The post allocation net operating loss deduction is subtracted from allocated entire net income after the taxpayer uses all of the available PNOLs.

**FYI** On line 1, taxpayers will only check the box next to the Return Period Ending entry if the NOL is from a tax period in which the taxpayer was a taxable member on a New Jersey combined return.

**Note:** The loss reported each year must not include any amount excluded from federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108).

**Line 2** – Enter the total of all losses from line 1.

**Line 3** – Enter that portion of the loss reported on line 2 that was deducted in a previous year.

**Line 4** – Enter the amount of the NOL that has expired.

**Note:** NOLs can be carried forward to each of the 20 privilege periods following the privilege period of the loss.

**Line 5** – Enter the amount of any adjustments required under provisions of the federal Internal Revenue Code other than the I.R.C. § 172(a)(2) limitation. New Jersey generally follows the federal rules governing mergers, acquisitions, reorganizations, spin-offs, split-offs, dissolution, bankruptcy, or any form of cessation of a business. New Jersey also follows any other provision of the federal rules that limits or reduces federal net operating losses and federal net operating loss carryovers. See

N.J.S.A. 54:10A-4.5(c) for more information. If the taxpayer reported an amount in Section A, line 4 of Form 500, only enter the excess here. (Section A, line 1 minus lines 2, 3, and 4.)

**FYI**

Do **not** include any I.R.C. § 172(a)(2) limitation adjustments on line 5. The I.R.C. §172(a)(2) limitation computation is applied at lines 10 through 15.

**Line 6** – Subtract the amounts reported on lines 3 through 5 from the amount on line 2. This is the total amount of post allocation NOL available for deduction in the current year.

**Line 7** – Enter the amount reported on Schedule A, Part II, line 19. If the amount is less than zero, enter zero.

**Line 8** – Enter the PNOL claimed on Section A, line 7.

**Line 9** – Subtract line 8 from line 7. If the amount is zero, enter zero on Section C, line 2 and continue with Section C.

**Line 10** – Enter the portion of line 6 generated for privilege periods ending on or after July 31, 2019, but beginning **before** August 1, 2023.

**Line 11** – Enter the portion of line 6 generated for privilege periods beginning after July 31, 2023.

**Line 12** – Subtract line 10 from line 9.

**Line 13** – Enter 80% of line 12.

**Line 14** – Add line 10 to the lesser of line 11 or line 13.

**Line 15** – Enter the lesser of line 9 or line 14 here and on line 2 of Section C.

## Section C – Total Net Operating Loss Deduction

**Line 1** – Enter the amount from from Section A, line 7.

**Line 2** – Enter the amount from Section B, line 15.

**Line 3** – Add lines 1 and 2. Enter here and on Schedule A, Part II, line 20.

### Worksheet 500-P

Worksheet 500-P was designed to help taxpayers transition to the new net operating loss regime. Taxpayers were required to convert these losses using the allocation factor from the last privilege period ending before July 31, 2019. A copy of this form must be included with the taxpayer's return each year until the losses are used up or expired but is not recomputed each year.

## Additional Forms and Instructions

Most of the forms and schedules needed to complete the return are included with Form CBT-100. However, there are several stand alone forms and schedules that taxpayers can obtain on the Division's [website](#). This includes:

- Schedule N: Nexus – Immune Activity Declaration and the Nexus Questionnaire
- Schedule O: Nonoperational Activity
- Schedule PT: Dividend Exclusion for Certain Previously Taxed Dividends

- Form 301: Urban Enterprise Zone Investment Tax Credit
- Form 302: Redevelopment Authority Project Tax Credit
- Form 304: New Jobs Investment Tax Credit
- Form 305: Manufacturing Equipment and Employment Investment Tax Credit
- Form 306: Research and Development Tax Credit
- Form 311: Neighborhood Revitalization State Tax Credit
- Form 312: Effluent Equipment Tax Credit
- Form 313: Economic Recovery Tax Credit
- Form 315: AMA Tax Credit
- Form 316: Business Retention and Relocation Tax Credit
- Form 317: Sheltered Workshop Tax Credit
- Form 318: Film Production Tax Credit
- Form 319: Urban Transit Hub Tax Credit
- Form 320: Grow New Jersey Tax Credit
- Form 321: Angel Investor Tax Credit
- Form 322: Wind Energy Facility Tax Credit
- Form 323: Residential Economic Redevelopment and Growth Tax Credit
- Form 324: Business Employment Incentive Program Tax Credit
- Form 325: Public Infrastructure Tax Credit
- Form 326: Drug Donation Program Tax Credit
- Form 327: Film and Digital Media Tax Credit
- Form 328: Tax Credit for Employers of Employees With Impairments
- Form 329: Pass-Through Business Alternative Income Tax Credit
- Form 330: Apprenticeship Program Tax Credit
- Form 331: Tax Credit for Employer of Organ/Bone Marrow Donor
- Form 332: Tiered Subsidiary Dividend Pyramid Tax Credit
- Form 334: Innovation Evergreen Fund Tax Credit
- Form 335: Unit Concrete Products Tax Credit