

From: [NJ Division of Taxation](#)

Subject: Form CBT-DIV 2017 Supplemental Required

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Notice: Form CBT-DIV 2017 Supplemental Required

New Jersey legislation (P.L. 2018, c. 48, and P.L. 2018, c. 131) signed by Governor Murphy in 2018 made several changes to the Corporation Business Tax Act that were retroactive to tax years beginning on and after January 1, 2017. One of the significant changes relates to the reporting and taxability of a portion of IRC Section 965 deemed repatriation dividends.

The 2017 corporation business tax returns (Form CBT-100 or BFC-1) were not updated. Instead, the Division created Form [CBT-DIV 2017 Supplemental](#) to capture the IRC Section 965 income and other changes. **That form was due on or before January 31, 2019.**

Taxpayers that submitted an IRC Section 965 Transitional Tax Statement to the IRS are required to file Form CBT-DIV 2017 Supplemental if they submitted a 2017 New Jersey tax return for a 2017 tax year (privilege period).

New Jersey decoupled from the IRC Section 965 deduction and exemptions permitted under the federal Tax Cuts and Jobs Act, Public Law 115-97. In addition, the State does not allow for the payment of the tax liability in installments over eight years. This means that the New Jersey liability may be different than the federal obligation.

If you have a client who did not report their IRC Section 965 income or they only reported the income on their 2017 corporation business tax return, they must still complete the Form CBT-DIV 2017 Supplemental. The Division encourages practitioners to work with their clients to bring all corporation business tax filers into compliance.

Note: The Division of Taxation and the Internal Revenue Service have a Federal/State Agreement which provides for the exchange of tax information in order to verify the accuracy and consistency of information reported on Federal and New Jersey tax returns.

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