

**From:** [NJ Division of Taxation](#)

**Subject:** Mandatory Registration of a Combined Group by Managerial Member

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## **Mandatory Registration of a Combined Group by Managerial Member**

Dear New Jersey Tax Professional:

The Division of Taxation's website for the mandatory registration of a combined group by its managerial member is now available. Please have your clients who are required to register on this website do so as soon as possible. The Division needs your assistance to insure that the mandatory registration process for combined reporting proceeds smoothly and without delay.

P.L. 2018, c. 48, and P.L. 2018, c. 131, collectively mandate combined reporting for tax years ending on and after July 31, 2019 (beginning on and after August 1, 2018, if the managerial member has a 12-month tax year that ends July 31, 2019). Commonly owned companies engaged in a unitary business are required to calculate their Corporation Business Tax on a combined basis.

A combined group is a group of companies that have a common ownership ([N.J.S.A. 54:10A-4\(aa\)](#)) and are engaged in a unitary business ([N.J.S.A. 54:10A-4\(gg\)](#)), if at least one company is subject to New Jersey Corporation Business Tax ([N.J.S.A. 54:10A-4\(z\)](#)). For information on what business entities must be included in a combined group and what business entities are not included in a combined group, see Technical Bulletin TB-86, which is available on the Division of Taxation's website at: [www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb86.pdf](http://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb86.pdf)

As an initial step in implementing combined reporting, you must have the managerial member ([N.J.S.A. 54:10A-4\(cc\)](#)) of each combined group register with the New Jersey Division of Revenue and Enterprise Services (DORES). The managerial member acts as the agent on behalf of the combined group. The managerial member is required to address all tax matters including, but not limited to: filing/amending tax returns, filing extensions, and making estimated tax payments and/or any tax liability payment on behalf of its taxable members. The managerial member is also responsible for responding to notices and assessments for its combined group. ([N.J.S.A. 54:10A-4.10](#))

Below are the steps necessary to register a company's combined group with the State of New Jersey.

### **How is the managerial member determined?**

If the combined group has a common parent corporation and that common parent corporation is a taxable group member, the common parent corporation **must** register as the managerial member. If the common parent member is not a taxable member, the combined group must designate a taxable member as its managerial member. This election is in place for 10 tax years.

**Answer the following on behalf of your client to determine if they must register as the managerial member to file and pay for New Jersey combined reporting:**

- 1. Is your corporation the common parent corporation and a taxable member of the combined group?**
  - **Yes.** As the common parent corporation and a taxable member of the combined group, you are the group's managerial member. You must register to be the managerial member through New Jersey's Division of Revenue and Enterprise Services (DORES) at:  
[https://www16.state.nj.us/TYTR\\_REGC/jsp/OwnershipLogin.jsp](https://www16.state.nj.us/TYTR_REGC/jsp/OwnershipLogin.jsp)  
Login using your company's New Jersey tax identification number and CBT PIN. Within the application, you will be able to select "Register as the Managerial Member of a Unitary Combined Group."
  - **No.** Continue to Question 2.
- 2. Has your corporation been designated as the managerial member of the combined group?**
  - **Yes.** Because the common parent corporation is not a taxable member of your combined group, you must register to be the managerial member through New Jersey's Division of Revenue and Enterprise Services (DORES) at:  
[https://www16.state.nj.us/TYTR\\_REGC/jsp/OwnershipLogin.jsp](https://www16.state.nj.us/TYTR_REGC/jsp/OwnershipLogin.jsp)  
Login using your company's New Jersey tax identification number and CBT PIN. Within the application, you will be able to select "Register as the Managerial Member of a Unitary Combined Group."
  - **No.** Continue to Question 3.
- 3. Did you answer no to BOTH of the questions above?**

If you answered no to both of the questions above, you are not the managerial member. The managerial member of the combined group must register with DORES. Please forward this notice to the proper member.

Registration will generate a New Jersey identification number specific to combined reporting. This unique identification number will serve as the combined group's tax identification number. The managerial member will use it to file the combined return on behalf of the group. The identification number will also serve as the number to which payments will be applied. Overpayments credited to the combined group by a taxpayer on a 2018 CBT-100 or 2018 BFC-1 will be applied to the combined group after the registration process is complete. In addition, once registration is complete, all estimated payments must be made using the combined group's identification number. The managerial member cannot continue to make the payments under their preexisting tax identification number. Additional information on the estimated tax payments and overpayment credits from 2018 tax returns is forthcoming.

**What if your company already has a New Jersey tax identification number and it is currently filing Corporation Business Tax returns?**

The managerial member must register in New Jersey to obtain a new identification number that is specific to combined reporting. The managerial member's preexisting tax identification number cannot be used as the primary identification number for the combined group filing. Also, a company's Federal Employer Identification Number cannot be used to file any return or payment for the combined group.

**Which member of the combined group should make estimated payments?**

The managerial member is responsible for making payments on behalf of the group. Even though the managerial member is responsible for paying on behalf of the combined group, each taxable member is jointly and severally liable for the tax due.

**For More Information**

For further details, answers to frequently asked questions, and up to date information regarding combined reporting please visit the Division of Taxation's website at:

<https://www.state.nj.us/treasury/taxation/cbtreform.shtml>