

# State of New Jersey Division of Taxation

## Resolving Account Problems

First, take the time to read the notice carefully. Compare the information on the notice with the information on your return. In most instances, the information will be the same. You can pinpoint the problem area by finding where the information on the notice differs from the information on your return. The messages on the front of the notice should help you.

**If your notice shows an underpayment and you agree** that the information shown on the notice is correct, you must pay the total amount shown as the underpayment. This may include both penalty and interest charges. Remit your payment with the tear-off invoice in the enclosed return envelope if you are paying by check or money order. Be sure to write your Federal employer identification number on your check or money order.

You may pay a balance due by credit card (Visa, MasterCard, Discover/Novus, or American Express). Credit card payments can be made by phone (1-800-2PAYTAX) or online ([www.officialpayments.com](http://www.officialpayments.com)). A fee equal to 2.49% of the payment amount will be paid to Official Payments Corporation on credit card transactions. Payments for sales and use tax deficiencies may also be made by electronic check (e-check). The e-check payment option is available on the Division's Web site ([www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation)). To use this service, you must enter your New Jersey taxpayer identification number and

your sales tax personal identification number (PIN) or your business name. Your PIN is located on the first page of your sales and use tax coupon booklet or you may request a sales tax PIN by e-mail at [taxation@tax.state.nj.us](mailto:taxation@tax.state.nj.us). Taxpayers who do not have Internet access can make a payment by e-check by contacting the Division's Customer Service Center at 609-292-6400. Do not send in the tear-off invoice if you pay by e-check or credit card.

**If an overpayment is shown on the notice**, your account has been adjusted to reflect the corrected amount. We will either send you an adjusted refund or apply the adjusted overpayment to the next tax period, whichever you requested on your tax return. This does not apply to sales and use tax.

**If you do not agree** with the information on the notice, you must notify us so we can correct your account. The easiest and quickest way to resolve issues is to call the phone number printed on the notice or the Division of Taxation's Customer Service Center at **609-292-6400**. Some corrections can be made over the phone, while others require that you write to us to provide additional information or documentation. Use the address shown in the upper left-hand corner of the notice, or you may respond by e-mail to the address on the notice.

## Helpful Tips for Sales Tax Notices

The following chart shows the filing requirements for sales tax:

<b>FILING/PAYMENT DUE DATES</b>			
Reporting Periods	Month	Monthly Remittance (ST-51)*	Quarterly Return (ST-50)**
1st Quarter	January February March	February 20 March 20	April 20
2nd Quarter	April May June	May 20 June 20	July 20
3rd Quarter	July August September	August 20 September 20	October 20
4th Quarter	October November December	November 20 December 20	January 20
<small>*Need only be filed if monthly liability is more than \$500. **Must be filed even when no tax is payable or no sales are made.</small>			

1. If you made a payment that is not shown on your Statement of Account, send copies of the front and back of your cancelled check. To ensure all payments have been properly credited, compare the 9-digit numbers stamped on the front of your checks or printed on the back of your checks to the numbers shown in the "DLN" column. If your payments were made by credit card, e-check, or electronic funds transfer (EFT), send copies of your bank or credit card statements.
2. If your return is not filed (postmarked) by the due date, late filing penalty and late payment interest will be charged. Check the date shown in the "Date Received" column.
3. You are required to make your monthly and/or quarterly sales tax payments by the due date even if you do not have the sales tax forms (ST-50/51). You can file on-line ([www.state.nj.us/treasury/taxation/](http://www.state.nj.us/treasury/taxation/)) or by phone (1-877-829-2866, toll free) through the Sales and Use Tax EZ File System. If you need further instructions on how to file without a form, call the Division's Customer Service Center at 609-292-6400.

## Helpful Tips for Employer Withholding Tax Notices

The following chart shows the filing requirements for employer withholding tax:

Payment/Filing Frequency	REPORTING PERIODS											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Weekly Payer</b> – Your prior year tax liability was \$10,000 or greater. Remit taxes withheld by EFT on or before Wednesday following the week (Sunday through Saturday) containing the payday(s). Use EFT tax code 01170. Quarterly return, Form NJ-927-W or NJ-941-W, required, regardless of amount of tax liability.	EFT Payment(s)	EFT Payment(s)	EFT Payment(s)  NJ-927-W NJ-941-W Due 4-30	EFT Payment(s)	EFT Payment(s)	EFT Payment(s)  NJ-927-W Due 7-30 NJ-941-W Due 7-31	EFT Payment(s)	EFT Payment(s)	EFT Payment(s)  NJ-927-W Due 10-30 NJ-941-W Due 10-31	EFT Payment(s)	EFT Payment(s)	EFT Payment(s)  NJ-927-W Due 1-30 NJ-941-W Due 1-31
<b>Monthly/Quarterly Payer</b> – You are not required to pay as a "weekly payer." <b>Monthly.</b> If your employer withholding tax liability is \$500 or more in calendar month one and/or two of the quarter, you are required to file Form NJ-500* and remit taxes withheld for that month. EFT Payers use tax code 01120. <b>Quarterly.</b> Remit taxes withheld during the third month of the quarter, plus any amounts withheld for month one and/or two that were not previously paid. EFT payers use tax code 01130. Quarterly return, Form NJ-927 or NJ-941, required, regardless of amount of tax liability.	NJ-500 Due 2-15	NJ-500 Due 3-15	NJ-927 NJ-941 Due 4-30	NJ-500 Due 5-15	NJ-500 Due 6-15	NJ-927 Due 7-30 NJ-941 Due 7-31	NJ-500 Due 8-15	NJ-500 Due 9-15	NJ-927 Due 10-30 NJ-941 Due 10-31	NJ-500 Due 11-15	NJ-500 Due 12-15	NJ-927 Due 1-30 NJ-941 Due 1-31
<b>Annual Payer</b> – You employ <i>only</i> domestic workers. Remit taxes withheld on an annual basis using Form NJ-927-H.												NJ-927-H Due 1-30

\*EFT taxpayers *do not* file NJ-500 remittance coupons.

1. If you made a payment that is not shown on your Statement of Account, send copies of the front and back of your cancelled check. To ensure all payments have been properly credited, compare the 9-digit numbers stamped on the front of your checks or printed on the back of your checks to the numbers shown in the "DLN" column. If your payments were made by credit card, e-check, or electronic funds transfer (EFT), send copies of your bank or credit card statements.
2. If you did not remit taxes withheld as frequently as required (see chart above), penalty and interest will be assessed on any payments that were not made on the appropriate due date.
3. If your return is not filed (postmarked) by the due date, late filing penalty and late payment interest will be charged. Check the date shown in the "Date Received" column.
4. You are required to make your payments by the due date even if you do not have the employer withholding tax forms. Be sure to include your Federal employer identification number, the name of the tax, and the tax period covered on your check and/or correspondence when you file. If you need to order employer withholding tax forms or require instructions on how to file without a form, call the Division's Customer Service Center at 609-292-6400.

---

## Helpful Tips for Corporation Business Tax Notices

1. **Any request for an adjustment to this notice must be made in writing.** Send the request along with appropriate documentation to support your claim to State of New Jersey, Division of Taxation, PO Box 257, Trenton, NJ 08695-0257. If you have any questions regarding this notice, call the Audit Adjustment Branch, Division of Taxation, at the telephone number on the notice.
  2. If you made a payment that is not shown on your Statement of Account, send copies of the front and back of your cancelled check. If your payments were made by credit card, e-check, or electronic funds transfer (EFT), send copies of your bank or credit card statements.
  3. If your return is not postmarked by the due date, late filing penalty and late payment interest will be charged. Check the date shown in the "Date Received" column.
  4. **Installment payments due with the return.** For tax periods before January 1, 2002, taxpayers with a tax liability of less than \$500 are permitted to make a 50% installment payment with their return in lieu of making the installment payments otherwise required. For tax periods beginning on or after January 1, 2002, this option applies to tax liabilities equal to \$500.
  5. The following penalty and interest rules are specific to the corporation business tax. Other applicable rules are detailed in the next section.
    - **Insufficiency of tentative tax penalty.** If the amount paid with the tentative return, Form CBT-200-T, is less than 90% of the current year's tax liability or less than the amount of tax computed using the current year's tax rates applied to the facts shown and the law applicable to the preceding accounting year, a penalty is computed at the rate of 5% per month or fraction thereof on the amount of the underpayment from the original due date to the date of payment. The test based on the prior year's information applies to tax years ending on and after July 31, 1993. This penalty is limited to 25% of the underpayment amount for return periods beginning on and after January 1, 1999.
    - **Interest on installment deficiency.** Interest is computed at the rates described in the next section on the amount of the underpayment from the due date to the date of payment or the original due date of the final return, whichever is earlier.
  6. Protest and appeal. See "Appeal Rights," in the Taxpayers' Bill of Rights section.
- 

## Penalties, Interest, and Collection Fees

### Late Filing Penalty

5% per month or fraction thereof 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. For return periods beginning on or after January 1, 1999, late filing penalty is calculated at 5% per month or fraction thereof of 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 shall accrue at 5% per month or fraction thereof of the total tax liability not to exceed 25% of such tax liability.

### Late Payment Penalty

5% of the amount of tax received after the original due date may be imposed.

### Amnesty Penalty

An additional 5% penalty is assessed on the unpaid balances on returns due on or after January 1, 1987, and before January 1, 2002, that were not paid within the amnesty periods of March 15, 1996, through June 1, 1996, and April 15, 2002, through June 10, 2002.

### Interest

For interest calculated after July 15, 1993, the annual interest rate is 3% above the average predominant prime rate. Interest is imposed each month or fraction thereof on the unpaid balance of tax from the original due date to the date of payment. 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.

For interest calculated prior to July 15, 1993, the rate is 5% above the average predominant prime rate compounded daily on the unpaid balance of tax, penalty, and interest from the due date of the tax to the date of actual payment. The rate is 3% above the prime for tax payments made under extension. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *State Tax News*.

### Referral Cost Recovery Fee

In accordance with N.J.S.A. 54:49-12.3, a Referral Cost Recovery Fee of 10% of the tax, penalty and interest due will be added to your liability if this matter is assigned to an outside collection agency. For delinquent periods, if that period is assigned to an outside collection agency, a Referral Cost Recovery Fee will be assessed prior to the filing of the Certificate of Debt.

### Cost of Collection Fees

If a certificate of debt is issued for your outstanding liability, a fee for the cost of collection of the tax may also be imposed.

### Electronic Funds Transfer

EFT payments received after the due date are subject to the above penalty and interest rules. Please refer to your EFT instructions for additional information.

---

## U.S. Treasury Offset Program

If you have an outstanding tax liability and you do not satisfy this debt or take other action (submit a written request for a payment plan, provide documentation of a filed bankruptcy petition or request a review) within **60 days** of the notice, the Division can submit your debt to the **U.S. Treasury Offset Program (TOP)**. The offset process is authorized by the **Debt Collection**

**Improvement Act of 1996 and New Jersey P.L. 2006, Chapter 32.** Once your debt is submitted to TOP for offset to this program, the United States Department of Treasury (U.S. Treasury) will reduce or withhold any of your eligible Federal payments by the amount of your debt. The U.S. Treasury is not required to send you further notice before your payment is offset.

---

## Taxpayers' Bill of Rights

### General Rights

All notices that you receive from the Division of Taxation will clearly identify the purpose of the communication, tell you how you should respond to the statement or notice, and include a statement of your rights. You have the right to obtain information about:

- Your State tax liability and how it was determined.
- The State tax implications of any specific situation or transaction.
- Any notice sent to you by the Division.
- Your responsibilities and rights.

When you contact a Division representative, whether in person or by telephone, e-mail, or letter, you can expect accurate answers to your questions within a reasonable time period.

### Assessment of Additional Tax

The Division has four years (three years for employer withholding tax) from the time your tax return was filed to assess additional taxes. The time limit may be extended if (1) you amended or the IRS adjusted your Federal taxable income, (2) you entered into a written agreement with the Division extending the time to make an assessment, or (3) an erroneous refund is made as a result of fraud or misrepresentation by you.

### Refunds

You have four years (two years prior to July 1, 1993, and three years for employer withholding tax) after your tax return is filed to claim a refund of any original or additional tax assessed against you. Interest will be paid on refunds made by the Division six months after the date the refund claim was filed, the date the tax was paid, or the due date of the return, whichever is later. As a result of the Taxpayers' Bill of Rights, interest on refunds for returns with a due date on or after January 1, 1994, will be paid at the prime rate.

### Appeal Rights

If you disagree with a determination made by the Division, you may either:

1. File a proper, written protest and request an informal administrative conference with the Conference and Appeals Branch. Your request must

be sent within 90 days of the determination date. Please see N.J.A.C. 18:2-4 for postmark rules. You may represent yourself at the conference or be represented by another individual of your choosing such as an accountant, lawyer, your personal representative, or someone else; or

2. File an appeal with the required fee to the Tax Court of New Jersey, Richard J. Hughes Justice Complex, PO Box 972, Trenton, NJ 08625-0972. You may obtain a copy of the rules for the filing of a complaint by writing to the above address; or
3. For assessments regarding tax periods commencing on or after January 1, 1999, if you paid the entire assessment within one year after the time to protest or appeal has expired, you may thereafter file a refund claim on Form A-1730 within 450 days after the time to protest or appeal has expired.

If you initially choose options 1 or 3 above and disagree with the outcome, you may subsequently appeal to the Tax Court.

You can appeal an assessment sent as a result of an audit, tax delinquencies by the Division's Compliance Activity, information received from the IRS or another state, and a reduction or denial of a refund or credit claim.

**NOTE:** The Division will **not** accept a protest (appeal) of a self-assessed liability (liability you indicated on the tax return you filed) or a bill that results from a math error you made.

### Division Responsibilities

The Division of Taxation has the responsibility to:

- Keep your tax information confidential.
- Administer the State's tax laws and regulations accurately and fairly.
- Provide you with clear, simple instructions and explanations.
- Notify you of your rights and responsibilities.

For further information call the Division's Customer Service Center at 609-292-6400 or visit our Web site at: [www.state.nj.us/treasury/taxation/](http://www.state.nj.us/treasury/taxation/)