

2005  
CBT-100



NEW JERSEY CORPORATION BUSINESS TAX RETURN

FOR TAXABLE YEARS ENDING ON OR AFTER  
JULY 31, 2005 THROUGH JUNE 30, 2006

WEB

Taxable year beginning \_\_\_\_\_, \_\_\_\_\_, and ending \_\_\_\_\_, \_\_\_\_\_

Type or print the requested information. Check if address change appears below.

FEDERAL EMPLOYER I.D. NUMBER \_\_\_\_\_ N.J. CORPORATION NUMBER \_\_\_\_\_

CORPORATION NAME \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

State and date of incorporation \_\_\_\_\_

Date authorized to do business in N.J. \_\_\_\_\_

Federal business activity code \_\_\_\_\_

Corporation books are in the care of \_\_\_\_\_

at \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

DIVISION USE

RP \_\_\_\_\_ NP \_\_\_\_\_ A \_\_\_\_\_ R \_\_\_\_\_

Check if applicable  Initial return  1120-S filer  Inactive

Table with 24 rows for tax calculations and a summary section for overpayment. Rows include: 1. Entire net income from Schedule A, line 38; 2. Allocation factor from Schedule J; 3. Allocated net income; 4. Total nonoperational income; 5. Total operational and nonoperational income; 6. Investment Company; 7. Real Estate Investment Trust; 8. Tax Base; 9. Amount of Tax; 10. Credit for taxes paid; 11. Subtract line 10 from line 9; 12. Tax Credits; 13. TOTAL CBT TAX LIABILITY; 14. Alternative Minimum Assessment; 15. Tax Due; 16. INSTALLMENT PAYMENT; 17. Key Corporation AMA Payment; 18. Key Corporation Throw Out Payment; 19. Professional Corporation Fees; 20. TOTAL TAX AND PROFESSIONAL CORPORATION FEES; 21. Payments & Credits; 22. Balance of Tax Due; 23. Penalty and Interest Due; 24. Total Balance Due; 25. If line 21 plus 21(a) is greater than line 20 plus line 23, enter the amount of overpayment; 26. Amount of Item 25 to be credited to 2006 return or refunded.

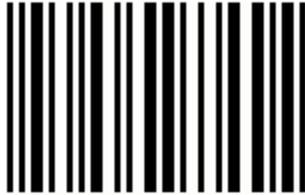
SIGNATURE AND VERIFICATION (See instruction 14)

I declare under the penalties provided by law, that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. If the return is prepared by a person other than the taxpayer, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

(Date) (Signature of Duly Authorized Officer of Taxpayer) (Title)

(Date) (Signature of Individual Preparing Return) (Address) (Preparer's ID Number)

(Name of Tax Preparer's Employer) (Address) (Employer's ID Number)



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**SCHEDULE A COMPUTATION OF ENTIRE NET INCOME (SEE INSTRUCTION 16)  
EVERY CORPORATION MUST COMPLETE LINES 1 - 38 OF THIS SCHEDULE.**

1.	Gross receipts or sales _____ Less returns and allowances _____	1	
2.	Less: Cost of goods sold (Schedule A-2, line 8) .....	2	
3.	Gross profit - Subtract line 2 from line 1 .....	3	
4.	Dividends .....	4	
5.	Interest .....	5	
6.	Gross rents .....	6	
7.	Gross royalties .....	7	
8.	Capital gain net income (attach separate Federal Schedule D) .....	8	
9.	Net gain or (loss) from Federal Form 4797 (attach Federal Form 4797) .....	9	
10.	Other income (attach schedule) .....	10	
11.	<b>TOTAL INCOME</b> - Add lines 3 through 10 .....	11	
12.	Compensation of officers (Schedule F) .....	12	
13.	Salaries and wages _____ Less jobs credit _____ Balance .....	13	
14.	Repairs (Do not include capital expenditures) .....	14	
15.	Bad debts .....	15	
16.	Rents .....	16	
17.	Taxes .....	17	
18.	Interest .....	18	
19.	Contributions .....	19	
20a.	Depreciation from Federal Form 4562 (attach copy) .....	20a	
20b.	Less depreciation claimed in Schedule A and elsewhere on return .....	20b	
		20c	
21.	Depletion .....	21	
22.	Advertising .....	22	
23.	Pension, profit-sharing plans, etc. ....	23	
24.	Employee benefit programs .....	24	
25.	Domestic production activities deduction .....	25	
26.	Other deductions (attach schedule) .....	26	
27.	<b>TOTAL DEDUCTIONS</b> - Add lines 12 through 26 .....	27	
28.	Taxable income before net operating loss deductions and special deductions (line 11 less line 27 must agree with line 28, page 1 of the Unconsolidated Federal Form 1120, or the appropriate line item from the Federal Forms 1120-IC-DISC, 1120-FSC or 1120-A, whichever is applicable. (see instructions 8(b) and 16(c)) .....	28	
<b>NEW JERSEY ADJUSTMENTS -- LINES 29 - 38 MUST BE COMPLETED ON THIS FORM</b>			
29.	Interest on Federal, State, Municipal and other obligations not included in Item 5 above (see instruction 16(d)) .....	29	
30.	Related interest addback (Schedule G, Part I) .....	30	
31.	New Jersey State and other states taxes deducted above (see instruction 16(f)) .....	31	
32.	Depreciation and other adjustments from Schedule S (see instruction 44) .....	32	
33.	(a) Deduction for IRC Section 78 Gross-up not deducted at line 37 below .....	33(a)	
	(b) Other deductions and additions. Explain on separate rider. (see instruction 16(h)) .....	33(b)	
	(c) Elimination of nonoperational activity (Schedule O, Part I) .....	33(c)	
	(d) Interest and intangible expenses and costs addback (Schedule G, Part II). ....	33(d)	
34.	Entire net income before net operating loss deduction and dividend exclusion (total of lines 28 through 33 inclusive) .....	34	
35.	Net operating loss deduction from Form 500 .....	35	
36.	Entire Net Income before dividend exclusion (line 34 minus line 35) .....	36	
37.	Dividend Exclusion from Schedule R, line 7. (see instruction 16(j)) .....	37	
38.	<b>ENTIRE NET INCOME</b> (line 36 minus line 37 - carry to page 1, line 1) .....	38	



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**SCHEDULE A-1 NET OPERATING LOSS DEDUCTION AND CARRYOVER**

**NOTE: SCHEDULE A-1 HAS BEEN REPLACED BY FORM 500. NET OPERATING LOSSES MUST BE DETAILED ON FORM 500 WHICH IS AVAILABLE SEPARATELY. TO OBTAIN THIS FORM AND RELATED INFORMATION, REFER TO THE INDEX ON PAGE 13.**

**SCHEDULE A-2 COST OF GOODS SOLD (See Instruction 18)**

1. Inventory at beginning of year	1.	
2. Purchases	2.	
3. Cost of labor	3.	
4. Additional section 263A costs	4.	
5. Other costs (attach schedule)	5.	
6. Total - Add lines 1 through 5	6.	
7. Inventory at end of year	7.	
8. Cost of goods sold - Subtract line 7 from line 6. Enter here and on Schedule A, line 2	8.	

**SCHEDULE A-3 SUMMARY OF TAX CREDITS (See Instruction 19)**

1. HMO Assistance Fund Tax Credit from Form 310	1.	
2. New Jobs Investment Tax Credit from Form 304	2.	
3. EITHER: a) Urban Enterprise Zone Employee Tax Credit from Form 300 OR b) Urban Enterprise Zone Investment Tax Credit from Form 301	3.	
4. Redevelopment Authority Project Tax Credit from Form 302	4.	
5. Recycling Equipment Tax Credit from Form 303	5.	
6. Manufacturing Equipment and Employment Investment Tax Credit from Form 305	6.	
7. Research and Development Tax Credit from Form 306	7.	
8. Smart Moves For Business Programs Tax Credit from Form 307	8.	
9. Small New Jersey-Based High-Technology Business Investment Tax Credit from Form 308	9.	
10. Neighborhood Revitalization State Tax Credit from Form 311	10.	
11. Effluent Equipment Tax Credit from Form 312	11.	
12. Economic Recovery Tax Credit from Form 313	12.	
13. Remediation Tax Credit from Form 314	13.	
14. AMA Tax Credit from Form 315	14.	
15. Other Tax Credits (see instruction 45(o))	15.	
16. Total tax credits taken on this return - Add lines 1 through 15. Enter here and on page 1, line 12	16.	



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**ALL CORPORATIONS MUST COMPLETE THIS SCHEDULE  
AND SUBMIT IT WITH THEIR CBT-100 TAX RETURN**

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**SCHEDULE A-4 SUMMARY SCHEDULE (See Instruction 20)**

<b>Net Operating Loss Deduction and Carryover</b>					
1. Form 500	1.		6. Schedule J, Part III, line 2(g)	6.	
<b>Interest and Intangible Costs and Expenses</b>			7. Schedule J, Part III, line 2(h)	7.	
2. Schedule G, Part I, line b	2.		8. Schedule J, Part III, line 2(j)	8.	
3. Schedule G, Part II, line b	3.		9. Schedule J, Part III, line 3(c)	9.	
<b>Schedule J Information</b>			<b>Non-Operational Income Information</b>		
4. Schedule J, Part III, line 1(c)	4.		10. Schedule O, Part III, line 31	10.	
5. Schedule J, Part III, line 2(f)	5.		<b>Dividend Exclusion Information</b>		
<b>Historical Information (All Corporations)</b>			11. Schedule R, line 4	11.	
		<b>Year 2002</b>	<b>Year 2003</b>	<b>Year 2004</b>	<b>Year 2005</b>
13. Schedule AM, Part III, line 1					
14. Schedule AM, Part III, line 2					

**SCHEDULE A-5 FEDERAL IRC SECTION 199 ADJUSTMENT (See Instruction 21)**

1. Federal Section 199 Domestic Production expensed in arriving at federal taxable income	1.	
2. Less: New Jersey Separate Entity Domestic Production allowed from Form 501	2.	
3. Net Section 199 adjustment - line 1 minus line 2. Include on Schedule A, line 33(b)	3.	

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**SCHEDULE AM ALTERNATIVE MINIMUM ASSESSMENT FOR C CORPORATIONS (See Instruction 22)**

**PART I COMPUTATION OF NEW JERSEY GROSS RECEIPTS**

1. Enter sales of tangible personal property shipped to points within New Jersey .....	1	
2. Enter services performed in New Jersey .....	2	
3. Enter rentals of property situated in New Jersey .....	3	
4. Enter royalties for the use in New Jersey of patents and copyrights .....	4	
5. Enter all other business receipts earned in New Jersey .....	5	
6. Total New Jersey Gross Receipts .....	6	

**PART II COMPUTATION OF NEW JERSEY GROSS PROFITS**

1. Enter New Jersey Gross Receipts from Part I, line 6 .....	1.	
2. Enter Cost of Goods Sold amount from Schedule A-2, line 8 .....	2.	
3. Enter the Allocation Factor or Receipts Factor from Schedule J (Non-allocators enter 100%) ..	3.	
4. New Jersey Cost of Goods Sold - multiply line 2 by line 3 .....	4.	
5. New Jersey Gross Profits - subtract line 4 from line 1 .....	5.	

**PART III GROSS SALES AND COST OF GOODS SOLD FOR CURRENT AND PRIOR YEARS**

	Year 2002	Year 2003	Year 2004	Year 2005 From Part II Above
1. NJ Gross receipts				
2. NJ Cost of Goods Sold				

**PART IV ALTERNATIVE MINIMUM ASSESSMENT BASED UPON GROSS PROFITS**

1. New Jersey Gross Profits - enter amount from Part II, line 5; if less than \$1,000,000, enter zero on line 5 and go to Part V. ....	1	
2. If line 1 is greater than \$1,000,000, but not over \$10,000,000, complete line 3. If line 1 is greater than \$10,000,000 then go to line 4.		
3. (a) Maximum exclusion amount .....	3(a)	\$1,000,000
(b) Subtract line 3(a) from line 1 .....	3(b)	
(c) Multiply line 3(b) by .0025 .....	3(c)	
(d) Multiply line 3(c) by 1.11111, the NJ AMA Exclusion Rate .....	3(d)	
4. (a) If line 1 is greater than \$10,000,000, but not over \$15,000,000, multiply line 1 by .0035 ...	4(a)	
(b) If line 1 is greater than \$15,000,000, but not over \$25,000,000, multiply line 1 by .006 ...	4(b)	
(c) If line 1 is greater than \$25,000,000, but not over \$37,500,000, multiply line 1 by .007 ...	4(c)	
(d) If line 1 is greater than \$37,500,000, multiply line 1 by .008 .....	4(d)	
5. AMA based on Gross Profits - amount from line 3(d) or 4(a), 4(b), 4(c), or 4(d) .....	5	

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**PART V ALTERNATIVE MINIMUM ASSESSMENT BASED UPON GROSS RECEIPTS**

1. New Jersey Gross Receipts - enter amount from Part I, line 6; if less than \$2,000,000, enter zero on line 5 and go to Part VI. . . . .	1	
2. If line 1 is greater than \$2,000,000, but not over \$20,000,000, complete line 3. If line 1 is greater than \$20,000,000 then go to line 4.		
3. (a) Maximum exclusion amount . . . . .	3(a)	\$2,000,000
(b) Subtract line 3(a) from line 1 . . . . .	3(b)	
(c) Multiply line 3(b) by .00125 . . . . .	3(c)	
(d) Multiply line 3(c) by 1.11111, the NJ AMA Exclusion Rate . . . . .	3(d)	
4. (a) If line 1 is greater than \$20,000,000, but not over \$30,000,000, multiply line 1 by .00175 . . .	4(a)	
(b) If line 1 is greater than \$30,000,000, but not over \$50,000,000, multiply line 1 by .003 . . . .	4(b)	
(c) If line 1 is greater than \$50,000,000, but not over \$75,000,000, multiply line 1 by .0035 . . .	4(c)	
(d) If line 1 is greater than \$75,000,000, multiply line 1 by .004 . . . . .	4(d)	
5. AMA based on Gross Receipts - amount from line 3(d) or 4(a), 4(b), 4(c), or 4(d) . . . . .	5	

**PART VI CORPORATION BUSINESS TAX/ALTERNATIVE MINIMUM ASSESSMENT**

1. Enter amount from Part V, line 5, Alternative Minimum Assessment (Gross Receipts) . . . . .	1	
2. Enter amount from Part IV, line 5, Alternative Minimum Assessment (Gross Profits) . . . . .	2	
3. Maximum Alternative Minimum Assessment . . . . .	3	\$5,000,000
4. For the first privilege period, the taxpayer has the option to select the computation of the Alternative Minimum Assessment on line 1 or 2. However, once selected, the method must be employed for that privilege period, and for the next succeeding four privilege periods. Enter your selection on line 4 . . . . .	4	
5. Amount of Tax - enter the lesser of line 3 or line 4. Enter this amount on line 14, page 1 of the CBT-100. If taxpayer is part of an affiliated group claiming the AMA Threshold Limit, enter zero on line 14 and go to Part VII . . . . .	5	

**PART VII KEY CORPORATION ELECTION**

1. Enter the name of the elected Key Corporation . . . . .		
2. Enter the FID Number of the Key Corporation . . . . .		
3. Enter the AMA tax from Part VI, line 5 . . . . .	3	
4. Enter the CBT liability from CBT-100, page 1, line 13, or the minimum tax, whichever is greater . . . . .	4	
5. Excess AMA over CBT - line 3 minus line 4 (If less than zero, enter zero) . . . . .	5	

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**SCHEDULE B BALANCE SHEET AS OF \_\_\_\_\_, \_\_\_\_\_**

Figures appearing below must be the same as year-end figures shown on the taxpayer's books. If not, explain and reconcile on rider. Consolidated returns are not permitted. See instruction 23.

Assets	Beginning of Tax Year	End of Tax Year
1. Cash		
2. Trade notes and accounts receivable		
(a) Reserve for bad debts	(            )	(            )
3. Loans to stockholders / affiliates		
4. Stock of subsidiaries		
5. Corporate stocks		
6. Bonds, mortgages and notes		
7. New Jersey State and Local government obligations		
8. All other government obligations		
9. Patents and copyrights		
10. Deferred charges		
11. Goodwill		
12. All other intangible personal property (itemize)		
13. <i>Total intangible personal property</i> (total lines 1 to 12)		
14. Land		
15. Buildings and other improvements		
(a) Less accumulated depreciation	(            )	(            )
16. Machinery and equipment		
(a) Less accumulated depreciation	(            )	(            )
17. Inventories		
18. All other tangible personalty (net) (itemize on rider)		
19. <i>Total real and tangible personal property</i> (total lines 14 to 18)		
20. Total assets (add lines 13 and 19)		
<b>Liabilities and Stockholder's Equity</b>		
21. Accounts payable		
22. Mortgages, notes, bonds payable in less than 1 year (attach schedule)		
23. Other current liabilities (attach schedule)		
24. Loans from stockholders / affiliates		
25. Mortgages, notes, bonds payable in 1 year or more (attach schedule)		
26. Other liabilities (attach schedule)		
27. Capital stock:      (a) Preferred stock		
(b) common stock		
28. Paid-in or capital surplus		
29. Retained earnings - appropriated (attach schedule)		
30. Retained earnings - unappropriated		
31. Adjustments to shareholders' equity (attach schedule)		
32. Less cost of treasury stock		
33. Total liabilities and stockholder's equity (total lines 21 to 32)		

**SCHEDULE C RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN (See Instruction 24)**

1. Net income per books	
2. Federal income tax	
3. Excess of capital losses over capital gains	
4. Income subject to tax not recorded on books this year (itemize)	
_____	
_____	
5. Expenses recorded on books this year not deducted in this return (itemize)	
(a) Depreciation \$ _____	
(b) Contributions Carryover \$ _____	
(c) Other (itemize) \$ _____	
6. Total of lines 1 through 5	
7. Income recorded on books this year not included in this return (itemize)	
(a) Tax-exempt interest \$ _____	
(b) _____	
(c) _____	
8. Deductions in this tax return not charged against book income this year (itemize)	
(a) Depreciation \$ _____	
(b) Contributions Carryover \$ _____	
_____	
9. Total of lines 7 and 8	
10. Income (Item 28, Schedule A) - line 6 less 9	

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**SCHEDULE C-1 ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (See Instruction 24)**

1. Balance at beginning of year		5. Distributions	
2. Net income per books		(a) Cash \$ _____	
3. Other increases (itemize)		(b) Stock \$ _____	
_____		(c) Property \$ _____	
_____		6. Other decreases (itemize)	
_____		_____	
_____		7. Total of lines 5 and 6	
4. Total of lines 1, 2 and 3		8. Balance end of year (line 4 less 7)	

**SCHEDULE E GENERAL INFORMATION (See Instruction 25)**  
**ALL TAXPAYERS MUST ANSWER THE FOLLOWING QUESTIONS. RIDERS MUST BE PROVIDED WHERE NECESSARY.**

1. Type of business \_\_\_\_\_  
 Principal products handled \_\_\_\_\_  
 Internal Revenue Center where corresponding Federal tax return was filed \_\_\_\_\_
2. FINAL DETERMINATION OF NET INCOME BY FEDERAL GOVERNMENT (See Instruction 15)  
 Has a change or correction in the amount of taxable income of the reporting corporation or for any other corporation purchased, merged or consolidated with the reporting corporation, been finally determined by the Internal Revenue Service, and not previously reported to New Jersey? "Yes" or "No" \_\_\_\_\_. **If "Yes", an amended return must be filed.**
3. Did one or more other corporations own beneficially, or control, a majority of the stock of taxpayer corporation or did the same interests own beneficially, or control, a majority of the stock of taxpayer corporation and of one or more other corporations? "Yes" or "No" \_\_\_\_\_. If "Yes", give full information below (Attach rider if necessary).

Name of Controlled Corporations	Percent of Stock Owned or Controlled	By Whom Controlled

4. Is the capital stock of the taxpayer listed on any exchange? "Yes or No" \_\_\_\_\_. If yes, specify exchanges where listed and submit taxpayer's Annual Report to stockholders for the period covered by this return.
5. Is this corporation a Professional Corporation (PC) formed pursuant to NJSA 14A:17-1 et.seq. or any similar law from a possession or territory of the United States, a state, or political subdivision thereof? "Yes or No" \_\_\_\_\_. If yes, go to the next question.  
  
 How many licensed professionals are owners, shareholders, and/or employees from this PC as of the first day of the privilege period? \_\_\_\_\_. Attach a rider providing the names, addresses, and FID or SS numbers of the licensed professionals in the PC. If the number of licensed professionals is greater than 2, complete Schedule PC-Per Capita Licensed Professional Fee. See instruction 42 for examples of licensed professionals.
6. **This question must be answered by corporations with income from sources outside the United States.**  
 (a) Is income from sources outside the United States included in entire net income at line 38 of Schedule A. "Yes or No" \_\_\_\_\_.  
 (b) If the answer is "No", set forth such items of gross income, the source, the deductions and the amount of foreign taxes paid thereon. Enter at line 33(b), Schedule A, the difference between the net of such income and the amount of foreign taxes paid thereon not previously deducted.

**SCHEDULE F CORPORATE OFFICERS - GENERAL INFORMATION AND COMPENSATION (See Instruction 26)**

(1) Name and Current Address of Officer	(2) Social Security Number	(3) Title	(4) Dates Employed in this position		(5) Percent of Corporation Stock Owned		(6) Amount of Compensation
			From	To	Common	Preferred	
(a) Total compensation of officers .....							
(b) Less: Compensation of officers claimed elsewhere on the return .....							
(c) Balance of compensation of officers (enter here and on Schedule A, line 12, page 2) .....							

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**SCHEDULE G - PART I INTEREST (See Instruction 27)**

1. Was interest paid, accrued or incurred to a related member(s), deducted from entire net income?  
 "Yes" or "No" \_\_\_\_\_. If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Amount Deducted
(a) Total amount of interest deducted .....			
(b) Less: Exceptions (see instruction 27) .....			(                    )
(c) Balance of interest deducted (carry to Schedule A, line 30) .....			

**SCHEDULE G - PART II INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS (See Instruction 27)**

1. Were intangible expenses and costs including intangible interest expenses and costs, paid, accrued or incurred to related members, deducted from entire net income? "Yes" or "No" \_\_\_\_\_. If "Yes", fill out the following schedule.

Name of Related Member	Federal ID Number	Relationship to Taxpayer	Type of Intangible Expense Deducted	Amount Deducted
(a) Total amount of intangible expenses and costs deducted .....				
(b) Less: Exceptions (see instruction 27) .....				(                    )
(c) Balance of intangible expenses and costs deducted (carry to Schedule A, line 33(d)) .....				

**SCHEDULE H TAXES (See Instructions 16(f) and 28)**

Include all taxes paid or accrued during the accounting period wherever deducted on Schedule A.

	(a) Corporation Franchise/Business Taxes*	(b) Corporation Business/Occupancy Taxes*	(c) Property Taxes	(d) U.C.C. or Payroll Taxes	(e) Other Taxes (attach schedule)	(f) Total
1. New Jersey Taxes						
2. Other States & U.S. Possessions						
3. City and Local Taxes						
4. Taxes Paid to Foreign Countries						
5. Total						
6. Combine lines 5(a) and 5(b)						
7. Sales & Use Taxes Paid by a Utility Vendor						
8. Add lines 6 and 7 - Carry to Schedule A, line 31.						
9. Federal Taxes						
10. Total (Combine line 5 and line 9)						

\*Include on line 4 taxes paid or accrued to any foreign country, state, province, territory, or subdivision thereof.



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**PART IV COMPUTATION OF THROW OUT RECEIPTS (See Instruction 34)**

Name of the Jurisdiction in which Receipts are Sourced	Total Receipts from all Sales, Services, Rental, Royalties, and Other Business Transactions
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
TOTAL - Add lines 1 through 10. Carry to Schedule J, Part III, line 2(h)	

**PART V KEY CORPORATION DESIGNATION (See instruction 35)**

All taxpayers claiming the throw out limitation must designate a key corporation and complete Part VI below. The key corporation will be responsible for remitting the additional tax. The key corporation must complete Form 400.

Name: \_\_\_\_\_ FID# \_\_\_\_\_

**PART VI COMPUTATION OF THE THROW OUT TAX EFFECT FOR LIMITATION (See Instruction 35)**

1. Entire net income from Schedule A, line 38	1.	
2. Allocation factor from Schedule J, line 5.	2.	
3. Allocated net income - Multiply line 1 by line 2.	3.	
4. Tax Rate (See Instruction 11(a))	4.	
5. Gross Tax Liability - Multiply line 3 by line 4	5.	
6. Less Tax Credits	6.	( )
7. Net Tax Liability - line 5 minus line 6	7.	
8. Property Fraction (Schedule J, Part III, line 1(c))	8.	
9. Wage Fraction (Schedule J, Part III, line 3(c))	9.	
10. Total New Jersey Receipts (Schedule J, Part III, line 2(f))	10.	
11. Total Everywhere Receipts (Schedule J, Part III, line 2(g))	11.	
12. Receipts Fraction (line 10 divided by line 11)	12.	
13. Double Weight Receipts (enter amount from line 12)	13.	
14. Total (line 8 plus line 9 plus line 12 plus line 13)	14.	
15. Allocation Factor (line 14 divided by 4) Carry to Page 1, line 2	15.	
16. Entire Net Income from Schedule A, line 38	16.	
17. Allocated Net Income - Multiply line 15 by line 16	17.	
18. Tax Rate (from line 4)	18.	
19. Gross Tax Liability - Multiply line 17 by line 18	19.	
20. Less Tax Credits	20.	( )
21. Net Tax Liability (line 19 minus line 20)	21.	
22. Throw Out Tax Income (line 7 minus line 21) This amount should be carried to Form 400 of the CBT-100 filed by the designated key corporation.	22.	

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**SCHEDULE L****INVESTMENT COMPANIES (See Instruction 36)**

1. DEFINITION OF INVESTMENT COMPANY: "Investment company" shall mean any corporation whose business during the period covered by its report consisted to the extent of at least 90% thereof, of holding, investing and reinvesting in stocks, bonds, notes, mortgages, debentures, patents, patent rights and other securities, for its own account. But this shall not include any corporation which: (1) is a merchant or a dealer of stocks, bonds and other securities, regularly engaged in buying the same and selling the same to customers; or (2) had less than 90% of its average gross assets in New Jersey, at cost, invested in stocks, bonds, debentures, mortgages, notes, patents, patent rights or other securities or consisting of cash on deposit during the period covered by its report; or (3) is a banking corporation or a financial business corporation as defined in the Corporation Business Tax Act.
2. NOTE: If taxpayer does not qualify under this definition, it is not entitled to report as an investment company.
3. In order to qualify as an investment company, taxpayer *must submit* a schedule showing that it meets the following three-part business test and the assets test.
- (a) i Income Adjusted: For purposes of the 90% requirement above, taxpayer, during the entire period covered by its report, must have derived 90% or more of its total income before deductions as reported for Federal income tax purposes from cash and/or investment type assets. Total income before deductions as reported for Federal income tax purposes must be adjusted as follows:
- (1) Add gross receipts or gross sales adjusted for gross profit (loss) reported for Federal income taxes;
  - (2) Add gross sales price from the disposition of assets adjusted for capital gain or loss or net gain or loss reported for Federal income taxes;
  - (3) Add interest on Federal, State, municipal and other obligations included in determining New Jersey net income, but not otherwise included in Federal total income;
- (4) Do not add any capital loss carry back or carry forward in computing total income.
- ii Income Unadjusted: For purposes of the 90% requirement above, taxpayer during the entire period covered by its report, must have derived 90% or more of its total income before deductions as reported for Federal income tax purposes from cash and/or investment type assets, plus interest on Federal, State municipal and other obligations not otherwise included in Federal taxable income and exclusive of any capital loss carry back or carry forward.
- (1) A gain resulting from the disposition of an asset and reported on the installment basis for Federal income taxes is considered income for purposes of the investment company statute in the year in which the installment is received under both 3(a) i and ii above. Income reported on the installment basis is treated as investment type income only if it is generated by the sale of an investment type asset. Interest income received in conjunction with each installment is deemed investment type income.
- iii Deductions: For purposes of the 90% requirement above, taxpayer, during the entire period covered by its report, must have incurred 90% or more of its total deductions as reported for Federal income tax purposes for holding, investing and reinvesting in cash and/or investment type assets.
- (b) Assets test: For purposes of the 90% requirement provided by 1.(2) above, at least 90% of the taxpayer's gross assets located in New Jersey, valued at cost, must consist of cash and/or investment type assets, during the period covered by its report.
4. The election to report as an investment company is effective only for the particular year covered by the return and if desired for a subsequent year must be renewed.
5. The minimum tax for an investment company is \$500.00.

**SCHEDULE M REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS****REGULATED INVESTMENT COMPANIES -****GENERAL INFORMATION (See Instruction 37)**

1. Is this taxpayer registered and regulated under the Federal Investment Company Act of 1940 (54 Stat. 789, as amended)?

"Yes" or "No" \_\_\_\_\_

If "Yes", give registration number and date of registration with the Securities and Exchange Commission:

Reg No. \_\_\_\_\_ Date \_\_\_\_\_

**IMPORTANT NOTE:** If the taxpayer's certificate under the Act was not obtained prior to the commencement of the period covered in the return or if such authority was not continued during such entire period, then the taxpayer is not entitled to report as a Regulated Investment Company.

2. Has the taxpayer satisfied the requirements of Chapter 1, Subchapter M, Part I, Section 852(a) of the Federal Internal Revenue Code? "Yes" or "No" \_\_\_\_\_. If "No", taxpayer is not entitled to report as a Regulated Investment Company.

3. Every taxpayer seeking to report as a regulated investment company **MUST SUBMIT WITH THIS RETURN ITS PRINTED ANNUAL REPORT TO STOCKHOLDERS** for the period covered by this return together with all other stockholder reports issued by the company during such period.

4. The tax liability for a Regulated Investment Company is \$500.00 and should be reported on Line 9, page 1 of the return.

**REAL ESTATE INVESTMENT TRUSTS -****GENERAL INFORMATION (See Instruction 37)**

1. Is the taxpayer a corporation, unincorporated trust or unincorporated association which is qualified and has elected to be taxed as a real estate investment trust under Federal law?

"Yes" or "No" \_\_\_\_\_.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
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**SCHEDULE P SUBSIDIARY INVESTMENT ANALYSIS (See Instruction 40)**

**NOTE:** Taxpayers must hold at least 80% of the 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, for each subsidiary. Do not include advances to subsidiaries in book value.

(1) Name of Subsidiary	(2) Percentage of Interest		(3) Book Value (as reported in Schedule B)	(4) Dividend Income (as reported in Schedule A)
	Voting	Non-Voting		
Totals .....				

**SCHEDULE P-1 PARTNERSHIP INVESTMENT ANALYSIS (See Instruction 41)**

(1) Name of Partnership LLC, or Other Entity and Federal ID Number	(2) Date and State where Organized	(3) Percentage of Ownership	(4)		(5)		(6)		(7) Tax Payments Made on Behalf of Taxpayer by Partnerships
			Limited Partner	General Partner	Tax Accounting Method Flow Through	Separate Accounting	New Jersey Nexus Yes	No	
Total Column 7 .....									

**SCHEDULE PC PER CAPITA LICENSED PROFESSIONAL FEE (See Instruction 42)**

1 (a). Enter number of resident and non-resident professionals with physical nexus with New Jersey _____ x \$150 .....	1(a)	
1(b). Enter number of non-resident professionals without physical nexus with New Jersey _____ x \$150 x allocation factor of the PC .....	1(b)	
1(c). Total Fee Due - Add lines 1(a) and line 1(b) .....	1(c)	
2. Installment Payment - 50% of line 1(c) .....	2.	
3. Total Fee Due (line 1(c) plus line 2) .....	3.	
4. Less prior year 50% installment payment and credit (if applicable) .....	4.	(                    )
5. Balance of Fee Due (line 3 minus line 4). If the result is zero or above, enter this amount on page 1, line 19 ...	5.	
6. Credit to next year's Professional Corporation Fee (if line 5 is below zero, enter the amount here) .....	6.	

**SCHEDULE Q QUALIFIED SUBCHAPTER S SUBSIDIARIES (QSSS)**

1. Does this corporation own any Qualified Subchapter S Subsidiaries? ..... Yes \_\_\_\_\_ No \_\_\_\_\_  
 If yes, list all the QSSS's names, addresses, and FID#'s below. Attach additional rider if necessary. Separately note those subsidiaries that have made a New Jersey QSSS election and whose activities are included in this return.

**SCHEDULE R DIVIDEND EXCLUSION (See Instruction 43)**

1. Dividend income included in Schedule A .....	1.	
2. Less: Dividend Income - Schedule P, Column (4) .....	2.	(                    )
3. Balance (line 1 less line 2) .....	3.	
4. Less: Dividend income from investments where taxpayer owns less than 50% of voting stock and less than 50% of all other classes of stock .....	4.	(                    )
5. Balance (line 3 less line 4) .....	5.	
6. 50% of line 5 .....	6.	
7. DIVIDEND EXCLUSION: Line 2 plus line 6 (Carry to Schedule A, line 37) .....	7.	

NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

**SCHEDULE S - PART I DEPRECIATION AND SAFE HARBOR LEASING (See Instruction 44)**

1. Section 179 Deduction	1	
2. Special Depreciation Allowance - for certain property acquired after September 10, 2001	2	
3. MACRS - for assets placed in service during <b>accounting periods</b> beginning on and after July 7, 1993	3	
4. MACRS - for assets placed in service during <b>accounting periods</b> beginning prior to July 7, 1993	4	
5. ACRS	5	
6. Other Depreciation - for assets placed in service after December 31, 1980	6	
7. Other Depreciation - for assets placed in service prior to January 1, 1981	7	
8. Listed Property - for assets placed in service during accounting periods beginning on and after July 7, 1993	8	
9. Listed Property - for assets placed in service during accounting periods beginning prior to July 7, 1993	9	
10. Total depreciation claimed in arriving at line 28, Schedule A	10	

**Attach Federal Form 4562 to Return and Include Federal Depreciation Worksheet**

Adjustments at Line 32, Schedule A - Depreciation and Certain Safe Harbor Lease Transactions

**11. Additions**

- (a) Amounts from lines 4, 5, 6 and 9 above a. \_\_\_\_\_
- (b) Special Depreciation Allowance - for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken. Include the initial 30% or 50% bonus amount and the regular depreciation on the adjusted basis. b. \_\_\_\_\_
- (c) Distributive share of ACRS and MACRS from a partnership c. \_\_\_\_\_
- (d) Deductions on Federal return resulting from an election made pursuant to IRC Section 168(f)8 exclusive of elections made with respect to mass commuting vehicles.
  - Interest \_\_\_\_\_
  - Rent \_\_\_\_\_
  - Amortization of Transactional Costs \_\_\_\_\_
  - Other Deductions d. \_\_\_\_\_
- (e) Section 179 depreciation in excess of \$25,000. Fiscal year filers refer to instruction 44 e. \_\_\_\_\_
- Total line 11 (lines a, b, c, d and e) 11 \_\_\_\_\_

**12. Deductions**

- (a) New Jersey depreciation - (From Schedule S, Part II(A)) a. \_\_\_\_\_
- (b) New Jersey depreciation - (From Schedule S, Part II(B)) b. \_\_\_\_\_
- (c) Recomputed depreciation attributable to distributive share of recovery property from a partnership c. \_\_\_\_\_
- (d) Any income included in the return with respect to property described at line 11(d) solely as a result of that election d. \_\_\_\_\_
- (e) The lessee/user should enter the amount of depreciation which would have been allowable under the Internal Revenue Code at December 31, 1980 had there been no safe harbor lease election e. \_\_\_\_\_
- (f) Excess of accumulated ACRS, MACRS, or bonus depreciation over accumulated NJ depreciation on physical disposal of recovery property (attach computations) f. \_\_\_\_\_
- Total line 12 (lines a, b, c, d, e and f) 12 \_\_\_\_\_

**13. ADJUSTMENT** - (line 11 minus line 12) Enter at line 32, Schedule A 13 \_\_\_\_\_





NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

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**SCHEDULE S - PART III NEW JERSEY DEPRECIATION FOR GAS, ELECTRIC, AND GAS AND ELECTRIC PUBLIC UTILITIES**  
 (See Instruction 44)
 

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1. Total depreciation claimed in arriving at Schedule A, line 28 ..... 1. \_\_\_\_\_
2. Federal depreciation for assets placed in service after 1-1-98 ..... 2. \_\_\_\_\_
3. Net (Subtract line 2 from line 1) ..... 3. \_\_\_\_\_
4. New Jersey depreciation allowable on the Single Asset Account (Assets placed in service prior to 1-1-98)
- (a) Total adjusted Federal depreciable basis as of 12-31-97 ..... a. \_\_\_\_\_
- (b) Excess book depreciable basis over Federal tax basis  
as of 12-31-97 ..... b. \_\_\_\_\_
- (c) Less accumulated Federal basis for all Single Asset Account  
property sold, retired or disposed of to date ..... c. \_\_\_\_\_
- (d) Total (line 4a plus line 4b less line 4c) ..... d. \_\_\_\_\_
5. New Jersey Depreciation (Divide line 4(d) by 30) ..... 5. \_\_\_\_\_
6. New Jersey Adjustment
- (a) Depreciation adjustment for assets placed in service prior to  
1/1/98 (subtract line 5 from line 3) ..... a. \_\_\_\_\_
- (b) Special bonus depreciation adjustment from Schedule S,  
Part I, line 13 ..... b. \_\_\_\_\_
7. Total Adjustment (add lines 6(a) and 6(b)). Enter at line 32, Schedule A ..... 7. \_\_\_\_\_
-

**State of New Jersey  
Division of Taxation**

**CERTIFICATION OF INACTIVITY**

For the period beginning \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, \_\_\_\_\_

Corporation Name	Federal ID Number
------------------	-------------------

(NOTE: Attach this schedule to the taxpayer's CBT-100 or CBT-100S, whichever is applicable)

I certify that during the period covered by the attached tax return, the above named taxpayer had no business activities, no income, no assets, and, additionally in the case of a New Jersey S corporation, made no distributions and did not have any change in ownership.

Signature of Corporate Officer	Title	Date
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**INSTRUCTIONS**

In lieu of completing the entire CBT-100 or CBT-100S tax return, an inactive corporation may complete this schedule and Schedule A-4 and attach them to a completed page 1 of the appropriate Corporation Business Tax return in order to fulfill its filing obligations with the State of New Jersey. An inactive corporation is a corporation that, during the entire period covered by the tax return, did not conduct any business, did not have any income, receipts or expenses, did not own any assets, and, additionally for New Jersey S corporations, did not make any distributions and did not have any change in ownership.

This schedule and Schedule A-4 must be completed and attached to page 1 of each Corporation Business Tax return filed annually by the taxpayer. Taxpayers must report the minimum tax liability and the installment payment (if applicable) on page 1 of the Corporation Business Tax return and submit the balance due with the Form CBT-100-V or Form CBT-100S-V, the Corporation Business Tax Payment Voucher.

Schedule I and page 1 of the Corporation Business Tax return must be signed by an officer of the corporation who is authorized to attest to the truth of the statements contained therein.

STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
DIVISION OF TAXATION  
REVENUE PROCESSING CENTER  
PO BOX 666  
TRENTON, NJ 08646-0666



# 2005 CBT-100-P

## NEW JERSEY CORPORATION BUSINESS TAX FORMS

### This Packet Contains:

Form CBT-100	Corporation Business Tax Returns
Form CBT-100A	General Instructions
Form CBT-100-V	Payment Voucher
Form CBT-160-A	Underpayment of Estimated Corporation Tax
Form CBT-160-B	Underpayment of Estimated Corporation Tax
Form CBT-200-T	Tentative Return and Application for Extension of Time to File Return

**NOTE: THE ANNUAL REPORT IS NO LONGER FILED WITH THE CORPORATION BUSINESS TAX RETURN. TO FILE AND PAY ELECTRONICALLY, VISIT THE DIVISION OF REVENUE'S WEBSITE AT <http://www.state.nj.us/njbgs>.**

# 2005 New Jersey Corporation Business Tax

## PAYMENT VOUCHER (Form CBT-100-V) and EXTENSION REQUEST (Form CBT-200-T)

A payment voucher and an extension request are included in this CBT-100 packet. **Please do not staple, paper clip or use any other fastening device to attach a check to either of these forms.** Be sure to print or type the numbers which you are reporting on these forms within the boundaries of each box as indicated below.

1	2	3	4	5	6	7	8	9	0
---	---	---	---	---	---	---	---	---	---

**Form CBT-100-V** is the document that should be used to remit the Total Balance Due as reported on page 1, line 24 of the tax return. Use the payment voucher, **Form CBT-100-V**, only if you owe tax on the 2005 return and you are not registered with the Division of Revenue's Electronic Funds Transfer Program. If you are due a refund and/or credit on the 2005 return, do not use the payment voucher. The payment voucher should be mailed along with your check and tax return in the envelope provided in this packet on or before the original or extended due date of the tax return, whichever is applicable.

The extension request, Form **CBT-200-T**, must be postmarked on or before the original due date of the tax return in order to obtain an automatic six month extension. Taxpayers may remit the related payment using the Electronic Funds Transfer Program, however, they must file the CBT-200-T using the form provided. All taxpayers must mail the completed form and related payment, if applicable, to the address indicated on the front of the form when requesting an extension of time to file their tax return.

**To make payments for the above vouchers electronically, refer to the instructions on page 14.**

**NOTE:** The CBT-100-V and the CBT-200-T forms cannot be used by Partnerships to make payments or request extensions for the Partnership Return. The PART-100 and PART-200-T forms must be used in connection with NJ-1065 filings. These forms are available on the Division's website.

### TAX RETURN MAILING ADDRESS

Send the completed tax return to the following address: State of New Jersey, Division of Taxation, Revenue Processing Center, PO Box 666, Trenton, NJ 08646-0666.

## A MESSAGE TO THE TAXPAYER

The 2005 New Jersey Corporation Business Tax Return, Form CBT-100, and instructions are included in this packet. As indicated on the top of page 1 of the tax form, this packet should be used only for accounting periods ending on or after July 31, 2005 through June 30, 2006. Please note that registration marks are located on pages 1 through 4 of the tax return in order to facilitate the processing of the return. Also note that Federal S Corporations that have not elected NJ S Corporation status must complete Schedule A in full. It is no longer acceptable to submit federal form 1120S in lieu of completing lines 1 through 27.

**Please note that effective with tax year 2005, the Annual Report must be filed and paid electronically** by all business entities including but not limited to corporations, limited liability companies, limited liability partnerships, limited partnerships and non-profit entities. The paper form was eliminated and the Annual Report is no longer part of the CBT-100 and CBT-100S tax returns. To file and pay electronically, visit the Division of Revenue's website at <http://www.state.nj.us/njbgs>.

The Annual Report, which is a statutorily mandated filing, contains **vital** public information and is required to be filed annually. Filing the Annual Report electronically, improves the timeliness and accuracy of the information presented to the legal and financial community about your business in such formats as status reports and standing certificates.

The following changes are new for the 2005 tax year:

- Taxpayers who are required to file the federal Schedule M-3 must submit a copy with their New Jersey CBT-100. For New Jersey corporation business tax purposes, the Schedule M-3 must be on a separate entity basis. Refer to instruction 24(c).
- A limited IRC Section 199 deduction may be allowed for privilege periods beginning after December 31, 2004 for New Jersey on a separate entity basis for domestic production activities provided it does not involve growing or extraction activities. The federal deduction is taken on Schedule A, line 25. Also, refer to Schedule A-5 and instruction 21.

The following items were new for last year and are listed as reminders:

- A limited net operating loss deduction is allowed for privilege periods beginning during calendar years 2004 and 2005. For these periods, the deduction is limited to an amount that would reduce the entire net income by up to 50%.
- For property placed in service on and after January 1, 2005, the law decouples the federal ceiling allowable under IRC Section 179 from the amount permitted to be deducted as an expense for New Jersey Corporation Business Tax purposes. The amount that may be deducted is limited to the amount allowed under the Internal Revenue Code that was in effect on December 31, 2002. This amount is \$25,000.
- With regard to federal bonus depreciation, the law clarifies that property placed in service after September 10, 2001 will not receive the bonus depreciation.

The Division continues to gather information from the Corporation Business Tax Returns in order to provide statistics to the Study Commission created by the Business Tax Reform Act, P.L. 2002, Chapter 40. All taxpayers are requested to complete the schedules on the state forms rather than attaching separate schedules.

If additional information is needed to complete this return, please contact the Division of Taxation's Customer Service Center at (609) 292-6400 or write to the Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

Robert K. Thompson  
Director

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## STATE OF NEW JERSEY

DIVISION OF TAXATION

CORPORATION TAX

### INSTRUCTIONS FOR CORPORATION BUSINESS TAX RETURN (Form CBT-100 - 2005)

#### SCHEDULE CHART

TAXPAYER MUST COMPLETE SCHEDULES INDICATED BY "X" FOR ITS RESPECTIVE CLASS

CLASS OF TAXPAYER	SCHEDULES																						
	A	A-2	A-3	A-4	A-5	AM	B	C	C-1	E	F	G	H	I	J	L	M	P	P-1	PC	Q	R	S
1. Non-Allocating	X	X	X	X	X	X	X	X	X	X	X	X	X	X				X	X	X	X	X	X
2. Allocating	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X	X	X	X	X	X
3. Investment Company	X	X	X	X	X		X	X	X	X	X	X	X			X		X	X	X	X	X	X
4. Regulated Investment Company				X	X	X											X			X			
5. Real Estate Investment Trust	X	X	X	X	X	X	X	X	X	X	X	X	X				X		X	X		X	X
6. Professional Corporation	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

NOTE: If applicable, Schedule G-2, Schedule N and Schedule O are available from the Division's Web site or Taxpayer Forms Service. Refer to the index on page 13.

#### 1. COMPLETING AND MAILING RETURNS:

Please read all instructions carefully before completing returns.

- Statutory references are to the New Jersey Statutes Annotated and indicate, unless otherwise designated, the section of the Corporation Business Tax Act, as amended and supplemented, on which the instruction is based. To obtain additional information or tax forms, follow the instructions on page 13.
  - Print or type the Federal Employer Identification Number, New Jersey Corporation Number, Corporation Name and complete address and zip code in the space provided on the return.
  - Provide the remaining information requested on the top portion of the return. The principal business activity code should be taken from the taxpayer's Federal tax return. Be sure to provide the location of the corporate books as well as a contact person and telephone number.
  - Send the completed return to: State of New Jersey, Division of Taxation, Revenue Processing Center, PO Box 666, Trenton, NJ 08646-0666. Use the large preprinted envelope provided in this packet to mail the return.
- Unless the corporation is inactive for the entire period covered by the return, all schedules and questions must be answered unless permission to omit or substitute is indicated on the return form. All applicable schedules must be submitted on the official New Jersey tax form. If the answer to any item is "No" or "None", write "No" or "None". Do not merely leave the item blank.
    - 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, need only submit a completed page 1 of the return, Schedule A-4, Summary Schedule along with Schedule I, Certification of Inactivity. Payment for the related minimum tax liability and the

installment payment (if applicable) must be submitted with Form CBT-100-V. Refer to instruction 29.

- 2005 ACCOUNTING PERIODS AND DUE DATES:** The 2005 Corporation Business Tax Return should only be used for accounting periods ending on and after July 31, 2005 through June 30, 2006. The due dates for all 2005 Corporation Business Tax Returns and payments are reported on the following schedule.

If accounting period ends on:	July 31, 2005	Aug 31, 2005	Sept 30, 2005	Oct. 31, 2005	Nov. 30, 2005	Dec. 31, 2005
Due date for filing is:	Nov. 15, 2005	Dec. 15, 2005	Jan. 17, 2006	Feb. 15, 2006	Mar. 15, 2006	Apr. 17, 2006
If accounting period ends on:	Jan. 31, 2006	Feb. 28, 2006	Mar. 31, 2006	Apr. 30, 2006	May 31, 2006	June 30, 2006
Due date for filing is:	May 15, 2006	June 15, 2006	July 17, 2006	Aug. 15, 2006	Sept. 15, 2006	Oct. 16, 2006

Calendar or fiscal accounting year is the same accounting period upon which the taxpayer is required to report to the United States Treasury Department for Federal Income Tax purposes. Please note 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 taxable year ending 8/31/05 may be filed on a 2004 Federal 1120; the same taxable year must be filed on a 2005 NJ CBT-100.) All accounting periods must end on the last day of the month, except that taxpayers may use the same 52-53 week accounting year that is used for Federal Income Tax purposes, see N.J.A.C. 18:7-2.3.

Do not alter the year appearing in the upper left hand corner of the taxable year caption on page 1 of the CBT-100. Changing the above information will delay the processing of your return. If returns are required for a different year, please refer to the index on page 13 of this booklet.

**(b) NEW CORPORATIONS:**

- (1) 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 which 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 twelve (12) months, even by a day.
- (2) Every corporation that elects to be a New Jersey S Corporation must file a "New Jersey S Corporation or New Jersey QSSS Election" (Form CBT-2553) within one calendar month subsequent to the Federal S Corporation filing requirement.
- (3) Every corporation which incorporates, qualifies or otherwise acquires a taxable status in New Jersey and which has adopted a fiscal year other than December 31, shall advise the Division of Taxation promptly of the date of such accounting period. If no such advice is received on or before April 17, 2006, the taxpayer will be deemed "delinquent" if no return is filed on or before April 17, 2006.

**(c) TRANSACTING BUSINESS WITHOUT A CERTIFICATE OF AUTHORITY:** In addition to any other liabilities imposed by law, a foreign corporation which transacts business in this State without a certificate of authority shall forfeit to the State a penalty of not less than \$200.00, nor more than \$1,000.00 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).

4. (a) **PAYMENT OF TAX:** Make remittance payable to "State of New Jersey - CBT" and forward with the payment voucher, Form CBT-100-V, provided in this packet. **MAKE OUT A SEPARATE REMITTANCE FOR EACH TAX RETURN (CBT-100) OR ESTIMATED PAYMENT VOUCHER (CBT-150) SUBMITTED.** Do not remit the tax for two or more returns in one check. Indicate the taxpayer's Federal Employer Identification Number on each remittance.

(b) All corporations are required to make installment payments of estimated tax. Generally, these payments are remitted with the form CBT-150. Refer to instruction 46 for further information. If tax liability is \$500, refer to 7(d).

(c) To make payments electronically, refer to the instructions on page 14.

5. **ELECTRONIC FUNDS TRANSFERS:** The Division of Revenue has established procedures to allow the remittance of tax payments through Electronic Funds Transfer (EFT). Taxpayers with a prior year's liability of \$10,000 or more in any one tax are required to remit all tax payments using EFT. If you have any questions concerning the EFT program, call (609) 984-9830, fax (609) 292-1777 or write to NJ Division of Revenue, EFT Section, PO Box 191, Trenton, NJ 08646-0191.

6. **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 upon 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.

**7. EXTENSION OF TIME TO FILE RETURN/INSTRUCTIONS FOR FORM CBT-200-T:**

(a) **AUTOMATIC EXTENSION:** Where a tentative return, Form CBT-200-T, and tax payment are timely and properly filed, it is the policy of the Division of Taxation to grant an extension of no more than six (6) months for filing the CBT-100.

The return must include the computation of tax liabilities on lines 1 and 2 and, if applicable, the Key Corporation AMA and Throw Out payments on line 3 and line 4 and the Tentative Professional Fees on lines 5 and 6. Submit the completed CBT-200-T with payment of the total amount due as reflected on line 9. The tentative return must be postmarked on or before the original due date of the tax return.

(b) Where a request for extension is duly made, it will be granted by the Division. Approved extensions will not be confirmed in writing.

(c) **MINIMUM TAX:** see instruction 11(d).

(d) **INSTALLMENT PAYMENT:** Any taxpayer with a tax liability of \$500 on line 1, may make a payment of 50% of line 1 in lieu of making the installment payments otherwise required. Taxpayers that report a tax liability greater than \$500 on line 1 should not make an entry on line 2 and are required to make installment payments of estimated tax indicated in instruction 46. Any taxpayer with Professional Corporation Fee liabilities at line 5 must report and remit an installment payment of 50% of line 5.

**(e) PENALTIES AND INTEREST**

(1) **Interest -** 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. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News*. See "Tax Forms and Information" on page 13 for information on obtaining copies of the newsletter.

**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.

(2) **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 fraction thereof not to exceed 25% of the amount of underpayment from the original due date to the date of actual payment.

8. (a) **CONSOLIDATED RETURNS NOT PERMITTED:** A corporation which is included in a consolidated Federal Income Tax Return must complete **all schedules** on its own separate basis and attach a copy of the Affiliations Schedule, Form 851, which it filed with Form 1120 for Federal Income Tax purposes.

(b) **FEDERAL S CORPORATIONS:** Federal S Corporations which have not elected and been authorized to be New Jersey S Corporations must complete this return as though no election had been made under Section 1362 of the Internal

Revenue Code. A copy of form 1120S as filed must be submitted. Lines 1 through 28 on Schedule A of the CBT-100 must be completed. New Jersey S Corporations must file the New Jersey S Corporation Business Tax Return, Form CBT-100S.

(c) **DOMESTIC INTERNATIONAL SALES CORPORATIONS (DISC's):** A Domestic International Sales Corporation 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.

(d) **FOREIGN SALES CORPORATIONS (FSC's):** A foreign sales corporation must complete this return as though no election had been made under Sections 922-927 of the Internal Revenue Code. An FSC 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.

(e) **FINANCIAL BUSINESS CORPORATIONS:** Corporations which qualify as financial businesses, those which 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 for Banking and Financial Business, Form BFC-1. This form and related information may be obtained from the Division of Taxation, Special Audit Section, PO Box 271, Trenton, NJ 08695-0271 or by calling (609) 292-5301.

**9. ACCOUNTING METHOD:** The return must be completed using the same method of accounting, cash, accrual or other, that was employed in the taxpayer's Federal Income Tax Return.

**10. RIDERS:** Where space is insufficient, attach riders in the same form as the original printed sheets. Write on only one side of each sheet.

**11. TAX RATES:**

(a) For taxpayers with Entire Net Income (Page 1, lines 1 and 4(b)) greater than \$100,000, the tax rate is 9% (.09) on adjusted entire net income or such portion thereof as may be allocable to New Jersey.

For taxpayers with Entire Net Income (Page 1, lines 1 and 4(b)) greater than \$50,000 and less than or equal to \$100,000, the tax rate is 7.5% (.075) on adjusted entire net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 7.5% rate if the prorated entire net income does not exceed \$8,333 per month.

For taxpayers with Entire Net Income (page 1, lines 1 and 4(b)) of \$50,000 or less, the tax rate is 6.5% (.065) on adjusted net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 6.5% rate if the prorated entire net income does not exceed \$4,166 per month.

(b) **INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS:** The tax payable by Investment Companies and Real Estate Investment Trusts shall be computed at the rates stated in (a) above. The minimum tax is \$500 or \$2,000, see (d) below.

(c) **REGULATED INVESTMENT COMPANY:** The tax payable by a qualified Regulated Investment Company is \$500 or \$2,000, see (d) below.

(d) **MINIMUM TAX:** The minimum tax is \$500, provided however that for a taxpayer that is a member of an affiliated or controlled group (as per sections 1504 or 1563 of the Internal Revenue Code of 1986) which has a total payroll of \$5,000,000 or more for the return period, the minimum tax shall be \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. 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. Zero (0) returns are not permitted.**

**12. WHO MAY BE SUBJECT TO TAX:** Any domestic or foreign corporation, joint-stock company or association and any business conducted by a trustee or trustees wherein interest or ownership is evidenced by a certificate of interest or ownership or similar written instrument is subject to tax. This includes limited partnership associations organized pursuant to N.J.S.A. 42:3-1 et seq. and foreign limited partnership associations. No new limited partnership associations shall be formed in New Jersey after September 21, 1988.

In general, limited liability companies are required to file for New Jersey purposes in the same manner that they report for Federal purposes.

**13. CORPORATIONS REQUIRED TO FILE THIS RETURN:**

(a) In general, every corporation existing under the laws of the State of New Jersey; and

(b) Every foreign corporation which (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) derives income from 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, is required to file a return. 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.

(c) Foreign corporations that meet the filing requirements and whose income is immune from tax pursuant to Public Law 86-272, 15 U.S.C. § 381 et seq., must obtain and complete Schedule N, Nexus - Immune Activity Declaration, and all of the schedules from the CBT-100. Remit the alternative minimum tax or at least the minimum tax with the CBT-100. Refer to instruction 38.

(d) 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 in order to avoid having to file a return for the next taxable period.

**14. 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. 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 \$25.00 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.

**15. 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 ninety (90) days. Changes for tax years ending prior to July 31, 1989, must be reported on the form IRA-100. To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year and write "AMENDED RETURN" clearly on the front page of the form. Refer to instruction 50 for additional information.

**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.

**16. SCHEDULE A - COMPUTATION OF ENTIRE NET INCOME:**

**Every taxpayer must complete this schedule on the form provided.** Federal S Corporations must also submit a copy of the corresponding Federal Income Tax return. For New Jersey tax purposes, each such corporation will be taxed on the basis of its entire net income in the same manner and to the same extent as if no Federal income tax election were permissible or had been made. Refer to instruction 8.

**(a) GENERAL - LINES 1 THROUGH 38:**

- (1) Where the corporation has filed a Federal Income Tax Return on its own separate basis, the figures shown at lines 1 to 28 must be the same as lines 1 to 28 on page 1 of the Federal Income Tax Return, Form 1120.
  - (2) Where the corporation has not filed a separate Federal Income Tax Return, or where the figures shown at lines 1 to 28 are not the same as lines 1 to 28 on page 1 of the Federal Income Tax Return, taxpayer must explain and reconcile the differences on a rider.
  - (3) **CONSOLIDATED RETURNS NOT PERMITTED:** A corporation which is included in a consolidated Federal Income Tax Return must complete lines 1 to 38 on its own separate basis without consolidation with any other corporation. Refer to instruction 8(a).
- (b) **Lines 8 and 9:** Add 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 a section 179 expense deduction was passed through to S Corp shareholders are not reported on Federal Form 4797, and should be reported on Schedule A, Line 10.
- (c) **Line 28:** This amount must agree with line 28, page 1 of the taxpayer's unconsolidated Federal Form 1120 or the appropriate line from the Federal Forms 1120-IC-DISC, 1120-FSC or 1120-A whichever is applicable.
- (d) **Line 29:** Include any interest income that was not taxable for Federal Income Tax purposes, and was not included in total income reported on line 28, Schedule A.
- (e) **Line 30:** Enter the total amount of interest deducted on Schedule A that was paid to related members and reported on Schedule G, Part I.
- (f) **Line 31:** 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 Schedule A and reflected in line 28. Refer to instruction 28.
- (g) **Line 32:** Enter the depreciation and other adjustments from Schedule S. Refer to instruction 44.
- (h) **Line 33(a): DEDUCTION FOR FOREIGN TAXES DEEMED PAID:** The portion of any IRC Section 78 gross-up included in dividend income on line 4, Schedule A that is not excluded from entire net income on line 38, may be treated as deduction. Attach a copy of Federal Foreign Tax Credit Form 1118.
- Line 33(b):** Report amounts of (1) adjustments not otherwise specifically provided for, (2) gross income, less deductions and expenses in connection therewith, from sources outside the United States, not included in Federal taxable income, (3) the add back of 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 section 41 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.41, and (4) Federal Section 199 deduction. Attach separate riders explaining fully such items.

**Line 33(c):** Enter the net effect of the elimination of nonoperational activity or non-unitary partnership income and expenses from Schedule O, Part I, line 36.

**Line 33(d):** Enter the total amount of interest and intangible expenses and costs deducted on Schedule A that was paid to related members and reported on Schedule G, Part II.

- (i) **Line 35:** A net operating loss for a taxable year may be carried forward as a net operating loss deduction to a succeeding year. A net operating loss is the excess of allowable deductions over gross income used in computing entire net income. Neither a net operating loss deduction nor the dividend exclusion is an allowable deduction in computing a net operating loss. The statute authorizes a carryover of the deduction for seven years. Schedule A-1 has been replaced by Form 500. Net operating losses must be detailed on Form 500, which is available separately. To obtain this form and related information, refer to the index on page 13.
- (j) **Line 37:** Dividends from all sources must be included in Schedule A. However, an exclusion from entire net income for certain dividend income may be taken as indicated in Schedule R. Taxpayer may not include money market fund income as part of the dividend exclusion. The amount of the dividend exclusion allowed to be taken as a deduction is limited to the amount of income reported on line 36 of Schedule A for that tax year.
- (k) **RIGHT OF DIRECTOR TO CORRECT DISTORTIONS OF NET INCOME:** The Director is authorized to adjust and re-determine 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, refer to regulation N.J.A.C. 18:7-5.10.

**17. SCHEDULE A-1 - NET OPERATING LOSS DEDUCTION AND CARRYOVER:** Schedule A-1 has been replaced by Form 500. Net operating losses must be detailed on Form 500, which is available separately. To obtain this form and related information, refer to the index on page 13.

**18. 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 income tax return. When calculating the AMA, corporations must calculate the Cost of Goods Sold per the AMA instructions.

**19. SCHEDULE A-3 - SUMMARY OF TAX CREDITS:** This schedule must be completed if one or more tax credits are claimed for the current tax period. The total on line 16 must equal the amount reported on page 1, line 12. Refer to instruction 45 for tax credit information.

**20. SCHEDULE A-4 - SUMMARY SCHEDULE: Every corporation must complete this schedule.** Report the information on lines 1 through 12 from the return schedules indicated. The historical information is required for the current year and prior 3 years. All lines must be completed.

**21. SCHEDULE A-5 - FEDERAL IRC SECTION 199 ADJUSTMENT:** Effective for privilege periods beginning after December 31, 2004, a limited IRC Section 199 deduction may be allowed for New Jersey CBT purposes on a separate entity basis. The Section 199 deduction which is allowable for New Jersey CBT purposes and entered on line 2, is computed on Form 501 which is available separately. To obtain this form, refer to the index on page 13.

**22. SCHEDULE AM - ALTERNATIVE MINIMUM ASSESSMENT FOR C CORPORATIONS:** For privilege periods beginning on or after January 1, 2002, all New Jersey taxpayers unless otherwise exempted are required to pay a New Jersey Corporate Tax com-

puted pursuant to Section 5 of P.L. 1945, (C.54:10A-5), or the elected Alternative Minimum Tax, whichever is greater. There are two methods of determining the Alternative Minimum assessment; (a) based upon New Jersey Gross Receipts, and (b) based upon New Jersey Gross Profits.

**PART I** - computes New Jersey gross receipts, which equals the total of (1) sales of tangible personal property where shipment is made to points within this state, appropriation to the orders where shipment is made to points within this state, (2) services performed within the state, (3) rentals from properties situated, (4) royalties from the use of patents or copyrights, within the state, and (5) all other business receipts earned within the state. Investment income received by a taxpayer through ownership in a foreign or domestic entity is considered gross receipts for purposes of computing the taxpayer's alternative minimum assessment.

**PART II** - New Jersey gross receipts from Part I are used in Part II to compute New Jersey gross profits. This is calculated by subtracting New Jersey cost of goods sold from total New Jersey gross receipts. New Jersey cost of goods sold is computed by multiplying the total cost of goods sold (from Schedule A-2, line 8) by the New Jersey allocation factor or the receipts fraction of the allocation factor from Schedule J.

NJ Gross Receipts (from Schedule AM, Part I, line 6)  
- NJ Cost of Goods Sold (from Schedule AM, Part II, line 4)  
= New Jersey Gross Profits

**PART III** - reports the New Jersey Gross Receipts and the New Jersey Costs of Goods Sold historically for the current year and the past 3 years.

**NOTE:** For taxpayers who were not required to file New Jersey CBT returns for any or all of the three prior privilege periods, enter N/A on the appropriate line(s).

**PART IV** - Computing the Alternative Minimum Assessment based on Gross Profits: Enter amount of New Jersey Gross Profits (from Part II, line 5) on Schedule AM, Part IV, line 1. If New Jersey Gross Profits are:

- (a) less than or equal to \$1,000,000, the Alternative Minimum Assessment based on Gross Profits will be zero;
- (b) greater than \$1,000,000, but not over \$10,000,000, the Alternative Minimum Assessment will be .0025 times the gross profits in excess of \$1,000,000, multiplied by the AMA exclusion rate of 1.11111;
- (c) greater than \$10,000,000, but not over \$15,000,000, the Alternative Minimum Assessment will be the gross profits multiplied by .0035;
- (d) greater than \$15,000,000, but not over \$25,000,000, the Alternative Minimum Assessment will be the gross profits multiplied by .006;
- (e) greater than \$25,000,000, but not over \$37,500,000, the Alternative Minimum Assessment will be the gross profits multiplied by .007;
- (f) greater than \$37,500,000, the Alternative Minimum Assessment will be the gross profits multiplied by .008.

**PART V** - Computing the Alternative Minimum Assessment based on Gross Receipts: New Jersey gross receipts are used in Schedule AM, Part V to determine the amount of tax due under the gross receipts method. This method takes New Jersey gross receipts and multiplies them by a certain percentage based on the receipt amount.

Enter amount of New Jersey Gross Receipts (from Part I, line 5) on Schedule AM, Part V, line 1. If New Jersey gross receipts are:

- (a) less than or equal to \$2,000,000, the Alternative Minimum Assessment based on Gross Receipts will be zero;

- (b) greater than \$2,000,000, but not over \$20,000,000, the Alternative Minimum Assessment will be .00125 times the gross receipts in excess of \$2,000,000, multiplied by the AMA exclusion rate of 1.11111;
- (c) greater than \$20,000,000, but not over \$30,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .00175;
- (d) greater than \$30,000,000, but not over \$50,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .003;
- (e) greater than \$50,000,000, but not over \$75,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .0035;
- (f) greater than \$75,000,000, the Alternative Minimum Assessment will be the gross receipts multiplied by .004.

**PART VI** - For the first privilege period, the taxpayer has the option to select the computation method of the Alternative Minimum Assessment, either based on Gross Profits or Gross Receipts. **However, once selected, the method must be employed for that privilege period, and for the next succeeding four privilege periods.**

The maximum Alternative Minimum Assessment for an individual corporation for a privilege period will be \$5,000,000. Taxpayer will enter the lesser of the elected alternative minimum assessment (from Schedule AM, Part VI, line 4), or \$5,000,000, on Schedule AM, Part V, line 5. Taxpayer will enter amount from Schedule AM, Part IV, line 5, on Page 1 of CBT-100, line 14.

The amount of tax due for the privilege period will be the greater of the elected Alternative Minimum Assessment, or the traditional Corporate tax (computed pursuant to Section 5 of P.L. 1945, (C.54:10A-5)).

**PART VII** - Enter the name of the designated Key Corporation of the affiliated group on line 1 if the group is claiming the AMA threshold limit of \$20,000,000. Enter the Federal Identification Number (FID) of the appointed Key Corporation on line 2.

- 23. 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. A taxpayer that is included in a consolidated Federal income tax return must complete this schedule on its own separate basis.
- 24. SCHEDULE C - RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN AND SCHEDULE C-1-ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS:**
  - (a) Every corporation must complete these schedules or submit legible copies of Schedules M-1 and M-2 from their unconsolidated Federal Form 1120. For requirements relating to reproduction of Federal tax schedules, see instruction 30.
  - (b) Line 8 of Schedule M-2 must correspond with the unappropriated retained earnings reported for the end of the tax year on Schedule B.
  - (c) If taxpayer files Federal Schedule M-3, New Jersey Schedule C must still be filed, and a copy of Federal Schedule M-3 must be attached to taxpayer's New Jersey CBT-100 return. If taxpayer is part of a consolidated filing, then the Federal Schedule M-3 must be on a separate entity basis.
- 25. SCHEDULE E - GENERAL INFORMATION:** All taxpayers must answer all questions on this schedule. In addition, riders must be submitted where necessary in answering the questions.
- 26. SCHEDULE F - CORPORATE OFFICERS - GENERAL INFORMATION AND COMPENSATION:** All applicable information should be provided for each corporate officer regardless of whether or not compensation was received.

**27. SCHEDULE G - PART I - INTEREST:** Interest paid, accrued, or incurred to related members which was deducted in computing taxable net income on line 28 of Schedule A must be reported on Schedule G, Part I. Enter the total of such interest expense on line 30 of Schedule A. Do not include interest expenses and costs that were deducted directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange, or disposition of intangible property in Part I. These expenses and costs are, however, required to be included in Part II.

**SCHEDULE G - PART II - INTEREST EXPENSES AND COSTS AND INTANGIBLE EXPENSES AND COSTS:** Interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued, or incurred to, or in connection directly or indirectly with one or more direct or indirect transactions with one or more related members which were deducted in computing taxable net income on line 28 of Schedule A must be reported on Schedule G, Part II. Enter the total of such intangible expenses and costs on line 33(d) of Schedule A.

**Exceptions:** If the taxpayer is claiming an exception to the disallowance of the expense reported in Part I or Part II, then the taxpayer must complete and attach Schedule G-2. This schedule may be obtained from the Division of Taxation's web site. See index on page 13.

**Definitions:**

**Related member** means a person that, with respect to the taxpayer during all or any portion of the privilege period is (1) a related entity, (2) a component member as defined in subsection (b) of section 1563, of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563, (3) a person to or from whom there is attribution of stock ownership in accordance with subsection (e) of section 1563 of the federal Internal Revenue Code of 1986, 26 U.S.C. s.1563 or (4) a person that, notwithstanding its form of organization, bears the same relationship to the taxpayer as a person described in (1) through (3) of this definition.

**Related entity** means (1) a stockholder who is an individual or a member of the stockholder's family enumerated in section 318 of the federal Internal Revenue Code of 1986 26 U.S.C. s.318, if the stockholder and the member's of the stockholder's family own, directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; (2) a stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own directly, indirectly, beneficially or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock; or (3) a corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least 50% of the value of the corporation's outstanding stock. The attribution rules of the federal Internal Revenue Code of 1986, 26 U.S.C. s.318, shall apply for purposes of determining whether the ownership requirements of this definition have been met.

**Intangible expenses and costs** includes (1) expenses, losses, and costs, for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange, or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income before operating loss deduction and special deductions for the taxable year under the federal Internal Revenue Code of 1986, 26 U.S.C. s.1 et seq., (2) losses related to, or incurred in connection directly or indirectly with factoring transactions or discounting transactions, (3) royalty, patent, technical and copyright fees, (4) licensing fees, and (5) other similar expenses and costs.

**Intangible Property** means patents, patent applications, trade names, trademarks, service marks, copyrights, mask works, trade secrets and similar types of intangible assets.

**Intangible Interest Expenses and Costs** means amounts directly or indirectly allowed as deductions under section 163 of the federal Internal Revenue Code of 1986 26 U.S.C. s.163, for purposes of determining taxable income under the code to the extent such expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

**28. SCHEDULE H - TAXES:** Itemize all taxes which were in any way deducted in arriving at taxable net income, whether reflected at line 2 (Cost of goods sold and/or operations), line 17 (Taxes), line 26 (Other deductions) or anywhere else on Schedule A. Also refer to instruction 16(f).

**29. SCHEDULE I - CERTIFICATION OF INACTIVITY:** In lieu of completing the entire tax return, an inactive corporation may complete this schedule along with Schedule A-4 and attach them to a completed page 1 of the tax return. Payment for the related minimum tax and the installment payment (if applicable) must be submitted with Form CBT-100-V. An inactive corporation is a corporation that, during the entire period covered by the tax return, did not conduct any business, did not have any income, receipts or expenses, and did not own any assets.

**30. OPTIONAL COPIES OF SCHEDULES C AND C-1:** Any taxpayer that files an unconsolidated Federal Form 1120 with the Internal Revenue Service may submit copies of Schedules M-1 and M-2 of that return in lieu of completing Schedules C and C-1 of the CBT-100. Such copies or reproductions must be facsimiles of the complete schedules, they must be of good legibility and on paper of substantially the same weight and texture, and of a quality at least as good as that used in the official form, CBT-100. They must also be of the same size as that of the official schedules, both as to the overall dimensions of the paper and the image reproduced thereon.

Separate pages must be fastened together in proper order and must be attached to the return form. The taxpayer's full name and tax identification number must be typed or printed on each reproduced page or copy.

**31. SCHEDULE J PART I - GENERAL INSTRUCTIONS REGARDING ALLOCATION OF ADJUSTED ENTIRE NET INCOME:**

(a) **WHO IS PERMITTED TO ALLOCATE:** No domestic or foreign corporation is permitted to allocate less than 100% of its adjusted entire net income to New Jersey, unless, during the period covered by the return, it **actually maintained a regular place of business outside of New Jersey** other than a statutory office.

(b) **DEFINITION OF REGULAR PLACE OF BUSINESS:** A "regular place of business" is any bona fide office (other than a statutory office), factory, warehouse, or other space of the taxpayer which is regularly **MAINTAINED, OCCUPIED** and **USED** by the taxpayer in carrying on its business and in which one or more regular employees are in attendance. To maintain a place of business, the taxpayer must either own or rent the premises. That cost must be borne directly by the taxpayer and not by some related entity or person.

(c) **ALLOCATION PERCENTAGES:** In computing the allocation factor in Schedule J, division must be carried to six decimal places, e.g., .123456.

(d) **ELECTION TO ALLOCATE:** If the taxpayer is entitled to allocate, the election should be made with the filing of the Corporation Business Tax return regardless of the amount of income reported on line 38 of Schedule A. Schedule J must be completed to validate the election.

(e) Only the receipts, property and payroll expenses attributable to operational activity are to be used in computing the allocation factor denominators.

**32. SCHEDULE J PART II - AVERAGE VALUES:** Average value is generally computed on a quarterly basis where the taxpayer's accounting practice permits such computation. At the option of the taxpayer or the State, a more frequent basis (monthly, weekly or daily) may be used. Where the taxpayer's accounting practice does not permit computation of average value on a quarterly or more frequent basis, semi-annual or annual frequency may be used only where no distortion of average value results. If any basis other than quarterly is used, state the basis and reasons for use on attached rider.

The average values of real and tangible personal property owned which are used in determining the property fraction of the allocation factor are based on book value. The numerator and denominator must take into account accumulated depreciation deferred for net income purposes where the taxpayer accounts for its property on its books on a Federal income tax basis. Rented or leased property is valued at eight times its annual rent, including any amounts (such as taxes) paid or accrued in addition to or in lieu of rent during the period covered by the return. All other property which is used by the taxpayer but is neither owned, rented or leased, should be valued at book value, however, if no such book value exists, the market value of the property should be used.

**33. SCHEDULE J PART III - COMPUTATION OF ALLOCATION FACTOR:** This schedule may be omitted if the taxpayer does not maintain a regular place of business outside this State other than a statutory office, in which case the tax law requires the allocation factor to be 100%.

(a) However, if the allocation factor is 100% but the taxpayer in fact pays tax to another state based on or measured by income which is included on Schedule A of this return, it may compute a reduction in its N.J. Corporation Business Tax under certain conditions. Refer to N.J.A.C. 18:7-8.3 for eligibility and the method of computing such reduction. A copy of this regulation can be obtained from Taxpayer Forms Services or NJ TaxFax. See index on page 13.

(b) **Line 1 - PROPERTY FRACTION:** For general information regarding method of valuation in arriving at average values, see instruction 32. Tangible personal property is within New Jersey if and so long as it is physically situated or located here. Property of the taxpayer held in New Jersey by an agent, consignee or factor is (and property held outside New Jersey by an agent, consignee or factor is not) situated or located within New Jersey. Property, while in transit from a point outside New Jersey to a point in New Jersey or vice versa does not have a fixed situs either within or outside the State and, therefore, will not be deemed to be "situated" or "located" either within or outside New Jersey and accordingly the average value of such property should be omitted from both the numerator and the denominator of the property fraction. Ships, aircraft, satellites used in the communications industry, and other mobile or movable property are subject to the specific rules defined in N.J.A.C. 18:7-8.4.

(c) **Line 2(a) - 2(d) - RECEIPTS FRACTION:** Receipts from sales of tangible personal property are allocated to New Jersey where 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 of 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 of New Jersey to a New Jersey location

where the goods are picked up by a common carrier and transported to a customer outside of New Jersey are not allocable to New Jersey.

Receipts from the following are allocable to New Jersey; services performed in New Jersey; rentals from property situated in New Jersey; royalties from the use in New Jersey of patents or copyrights; all other business receipts earned in New Jersey.

(d) **Lines 2(e) and 2(g)**

(1) **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 upon the net gain recognized and not upon gross selling prices. Where 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.

(2) **DIVIDEND INCOME:** The amount of dividends excluded from entire net income at line 37, Schedule A, must not be included in the numerator or denominator of the receipts fraction.

(e) **Line 2(h) -** Receipts that have not been included in the numerator of apportionment factor of another taxing jurisdiction's tax return based on income or measured by profits, business presence or business activity, either on its own separate entity base or as part of a consolidated return, shall be excluded from the denominator. Receipts that are "throwback sales" in another jurisdiction also shall be excluded from the denominator.

(f) **Lines 2(j) and 2(k) -** The percentage of receipts in New Jersey should be entered on both lines 2(j) and 2(k) to effect a double-weighted receipts fraction in the computation of the allocation factor.

(g) **Line 3 - PAYROLL FRACTION:** In general, a taxpayer reporting to the Division of Employer Accounts in the New Jersey Department of Labor will allocate to New Jersey all wages, salaries and other personal service compensation, etc., reportable to that Division, including the portions thereof, in individual cases, in excess of taxable wages. All executive salaries are includible in both the numerator and denominator. See N.J.S.A. 54:10A-7 for the definition of wages, salaries and other personal services compensation allocable to New Jersey.

(h) **ALLOCATION FACTOR - GENERAL:** The allocation factor is computed by adding together the percentages shown at lines 1(c), 2(j), 2(k) and 3(c) of Schedule J, Part III for the period covered by the return, and dividing the total of the percentages by four (4). However, if the property or payroll fraction is missing, the remaining percentages are added and the sum is divided by three. If the receipts fraction is missing, the other two percentages are added and the sum is divided by two. If two of the fractions are missing, the remaining percentage may be used as the allocation factor. A fraction is not missing merely because its numerator is zero, but is missing if its denominator is zero.

If there is a declaration of nonoperational income, expenses, or assets from Schedule O, those items attributable to the non-operational activity should be excluded from the denominator of all three fractions of the allocation factor.

**34. SCHEDULE J PART IV:** Provide the name of the jurisdiction for which the receipts have not been included in a tax return apportionment numerator and the total amount of those receipts.

**35. SCHEDULE J PARTS V and VI:** Only corporations claiming the affiliated group throw out limitation must complete Schedule J, Parts V and VI. Part V must be completed to identify the Key Corporation of the affiliated group who will be reporting and remitting the increase tax effect limitation (\$5,000,000). The Key Corporation must also complete Form 400. See index on page 13. Part VI is a schedule for the computation of the Throw Out Tax to be completed if the taxpayer is a member of an affiliated or controlled group whose aggregate combined change in tax liability exceeds \$5,000,000 due to the throw out of receipts.

Taxpayers claiming the throw out limitation must use the allocation factor reported on Schedule J, Part VI, line 15, to compute their individual tax liability. Enter this number on page 1, line 2 CBT-100. Taxpayers NOT claiming the throw out limitation must use the allocation factor reported on Schedule J, Part III, line 5. Enter this number on page 1, line 2 of the CBT-100.

**36. SCHEDULE L - INVESTMENT COMPANIES:**

(a) Every taxpayer electing to report as an Investment Company must meet the qualifications contained in this schedule. See instruction 37 and Schedule M for Regulated Investment Companies.

(b) **ELECTION TO REPORT AS AN INVESTMENT COMPANY:** The election is effective only for the particular year covered by the return.

**37. SCHEDULE M - REGULATED INVESTMENT COMPANIES - REAL ESTATE INVESTMENT TRUSTS - GENERAL INFORMATION:** This schedule must be completed by every taxpayer electing to report as a Regulated Investment Company or a Real Estate Investment Trust. The election is effective only for the particular year covered by the return.

**NOTE: A Regulated Investment Company need only complete Schedule M, Schedule A-4, Schedule AM and Page 1 of the return.**

**38. SCHEDULE N - NEXUS - IMMUNE ACTIVITY DECLARATION:** Foreign corporations that claim their income is immune from taxation pursuant to Public Law 86-272, 15 U.S.C. §381 et seq., must complete Schedule N and file it with the CBT-100. This schedule may be obtained from the Division of Taxation's web site.

**39. SCHEDULE O - NONOPERATIONAL ACTIVITY:** Corporations that claim to have nonoperational activity, nonoperational assets or non-unitary partnership investments must complete Schedule O and file it with the CBT-100. This schedule may be obtained from the Division of Taxation's web site.

**40. SCHEDULE P - SUBSIDIARY INVESTMENT ANALYSIS:** Itemize the investment in each subsidiary company, showing the name of each subsidiary, the percentage of interest held in each company, the individual book value included in the balance sheet for each subsidiary investment and the amount of dividends received from each subsidiary which is included in gross income on Schedule A. Do not include advances or other receivables due to subsidiaries in the book value reported at Column 3.

**41. SCHEDULE P-1 - PARTNERSHIP INVESTMENT ANALYSIS:** Itemize the investment in each partnership, limited liability company and any other entity which 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 21(a). Attach a copy of schedule NJ-K-1 from form NJ-1065 if the part-

nership is filing in New Jersey. Any one member limited liability company should be included on this schedule. Corporations who claim that their partnership investments are non-unitary and therefore are utilizing the Separate Tax Accounting Method must complete Schedule O to report this activity and compute the appropriate amount of tax.

**42. SCHEDULE PC - PER CAPITA LICENSED PROFESSIONAL FEE:**

(a) 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 US, a state, or political subdivision thereof, are liable for a fee on Licensed Professionals.

(b) 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, chiropodists, veterinarians and, subject to the Rules of the Supreme Court, attorneys a law.

(c) The fee is assessed provided there are more than 2 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 non-resident professional with physical nexus with New Jersey is \$150. The fee for each non-resident 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.

(d) 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.

(e) Line 2 - Installment Payment: A fifty percent (50%) prepayment towards the subsequent year's fee is required with the current year's return.

(f) Line 6 - Credit: Amount to be credited towards next year's fee. **This fee is not eligible for refund.**

**43. SCHEDULE R - DIVIDEND EXCLUSION:** Taxpayers may exclude from entire net income 100% of dividends from qualified subsidiaries, 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 shall be limited to 50% of such dividends included in the taxpayer's gross income on Schedule A, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock. Taxpayers shall not include money market fund income as part of the dividend exclusion. Refer to instruction 16(j).

**44. SCHEDULE S - DEPRECIATION AND SAFE HARBOR LEASING:** All taxpayers except for gas, electric and gas and electric utilities (who must complete Schedule S, Part III), must complete this schedule and must submit a copy of a completed Federal Depreciation Schedule, Form 4562 even if it is not required for Federal purposes. Schedule S provides for adjustments to depreciation and certain safe harbor leasing transactions.

**SCHEDULE S - PART I**

**Line 11 Additions:**

(a) Add any depreciation or cost recovery (ACRS and MACRS) which was deducted in arriving at federal taxable income on recovery property placed in service on or after January 1,

1981 and prior to taxpayers' accounting periods beginning on and after July 7, 1993.

- (b) Add any 30% or 50% bonus depreciation amounts and federal depreciation calculations which were deducted in arriving at Federal taxable income on recovery property placed in service during accounting periods beginning on and after January 1, 2002, for which federal 30% or 50% bonus depreciation was taken. Include the initial 30% or 50% bonus amount and the regular depreciation on the adjusted basis.
- (c) Add distributive share of ACRS and MACRS from a partnership.
- (d) Add any interest, amortization or transactional costs, rent, or any other deduction which was claimed in arriving at Federal taxable income as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code; provided, however, any such amount with respect to a qualified mass commuting vehicle pursuant to the Federal Internal Revenue Code Section 168(f)(8)(D)(v) need not be added back to net income.
- (e) The \$100,000 bonus section 179 deduction is partially disallowed. Section 179 deduction is limited to a maximum of \$25,000 which was the maximum allowance for tax years after 2002 per the Internal Revenue Code before the bonus deduction was enacted. Enter on line 11(e) the difference between the federal expense and the expense allowable for New Jersey purposes.

**Line 12 Deductions:**

- (a) Deduct depreciation on property placed in service after 1980 and prior to taxpayers' fiscal or calendar accounting periods beginning on and after July 7, 1993, on which ACRS and MACRS has been disallowed under 10(a) of this instruction using any method, life and salvage value which would have been allowable under the Federal Internal Revenue Code at December 31, 1980, but using the Federal basis for depreciation on the date the property was placed in service. Refer to Schedule S, Part II (A).
- (b) Deduct recomputed depreciation for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken under 11(b) of this instruction using the same method and life which would have been allowable for Federal purposes, but using the Federal basis for depreciation on the date the property was placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance. Refer to Schedule S, Part II (B).
- (c) Deduct recomputed depreciation attributable to distributive share of recovery property from a partnership.
- (d) Deduct any item of income included in arriving at Federal taxable income solely as a result of a "safe harbor leasing" election made under Section 168(f)(8) of the Federal Internal Revenue Code provided, however, that any such income which relates to a qualified mass commuting vehicle pursuant to Federal Internal Revenue Code Section 168(f)(8)(D)(v) cannot be deducted from net income.
- (e) Where the user/lessee of qualified lease property which is precluded from claiming a deduction for rent under 10(c) of this instruction would have been entitled to cost recovery on property which is subject to such "safe harbor lease" election in the absence of that election, it may claim depreciation on the property in accordance with 12(a) of this instruction.
- (f) Gain or loss on property sold or exchanged is the amount properly to be recognized in the determination of Federal taxable income. However, on the physical disposal of recovery property, whether or not a gain or loss is properly to be recognized under the Federal Internal Revenue Code, there shall be allowed as a deduction any excess, or there must be restored as an item of income, any deficiency of depreciation disallowed at line 11(a) and (b) over related depreciation

claimed on that property at line 12(a) and (b). A statutory merger or consolidation shall not constitute a disposal of recovery property.

**NOTE:** Uncoupling of ACRS and MACRS is not required for property placed into service during accounting periods beginning on or after July 7, 1993.

**SCHEDULE S - PART II (B)**

All taxpayers must complete this schedule in order to compute their New Jersey depreciation allowable for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken. The basis is to be determined at the date property is placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance.

**SCHEDULE S - PART III**

- (a) All gas, electric, and gas and electric utilities must complete this schedule in order 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.
- (b) All taxpayers must complete Schedule S, Part I, lines 11(b), 12(b), 12(f), and 13 as well as Schedule S, Part II (B) in order to compute their New Jersey depreciation allowable for assets placed in service during accounting periods beginning on and after January 1, 2002, and for which federal 30% or 50% bonus depreciation was taken. The basis is to be determined at the date property is placed in service and not as provided after taking the 30% or 50% first-year depreciation allowance.

**45. TAX CREDITS: (Refer to instruction 19)**

- (a) **HMO ASSISTANCE FUND TAX CREDIT - FORM 310:** A member organization may offset against its corporation business tax liability an amount of not more than 10% of any assessment for each of the five privilege periods beginning on or after the third calendar year commencing after the assessment was paid, except that no member organization may offset more than 20% of its corporation business tax liability in any one year.
- (b) **NEW JOBS INVESTMENT TAX CREDIT - FORM 304:** This tax credit is available for investment in new or expanded business facilities that create new jobs in New Jersey. The investment must create at least 5 new jobs (50 for large businesses), and meet the median annual compensation requirement for the current tax year. New investment is not eligible for the credit unless the average value of all real and tangible personal property in this State has increased over the prior year.

To claim this credit, the taxpayer must complete Form 310 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

The facilities must have been purchased from an unrelated party during or after the taxpayer's accounting period beginning on or after July 7, 1993, the effective date of this legislation. It must be employed by the taxpayer in a taxable activity and must not have been in use during the 90 day period prior to purchase. Investments which qualify for the Manufacturing Equipment and Employment Investment Tax Credit cannot also qualify for this credit.

A new employee means a New Jersey resident, hired to fill a regular, permanent position in this State which did not exist prior to the qualified investment, and would not exist but for the qualified investment. The employee must be unrelated to the taxpayer and must not have been employed by the taxpayer during the six months prior to the date the investment was placed in service or use.

The taxpayer cannot claim a credit for a number of new employees that exceeds either the increase in the taxpayer's average employment for the tax year, or one-half the taxpayer's average employment for the year. Also, individuals counted in determining the New Jobs Factor must not be ones for whom the taxpayer is allowed an Urban Enterprise Zone or Urban Development Project Employees Tax Credit.

A small or mid-sized business taxpayer must also meet the annual payroll and annual gross receipts requirements for the current tax year to qualify.

To claim this credit, the taxpayer must complete Form 304 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (c) **URBAN ENTERPRISE ZONE TAX CREDITS:** A taxpayer that has been designated as a "qualified business" as defined in the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq., may qualify for either an employee tax credit or an investment tax credit. To be eligible, the taxpayer must have been certified as a qualified business by the Urban Enterprise Zones Authority. Certification is renewable annually. The urban enterprise zones are located in Asbury Park, Bayonne City, Bridgeton, Camden, Carteret, East Orange, Elizabeth, Guttenberg, Hillside, Irvington, Jersey City, Kearny, Lakewood, Long Branch, Millville, Mount Holly, Newark, North Bergen, Orange, Passaic, Paterson, Pemberton Township, Perth Amboy, Phillipsburg, Plainfield, Pleasantville, Roselle Borough, Trenton, Union City, Vineland, West New York, and the Joint Wildwoods. Further information can be obtained from the New Jersey Urban Enterprise Zones Authority, New Jersey Commerce and Economic Growth Commission, PO Box 820, Trenton, New Jersey 08625-0820, phone (609) 292-1912.

The forms required to validate the employee tax credit (Form 300) and the investment tax credit (Form 301) can be obtained by following the instructions on page 13. Specific information on these tax credits can be obtained from the Regulatory Services Branch, PO Box 269, Trenton, NJ 08695-0269, phone (609) 292-5994.

- (1) **Employees Tax Credit - Form 300:** This credit is available to a taxpayer that was certified as a qualified business in the preceding tax year as well as the current tax year. Qualifying employees must have been hired after certification and must have worked six consecutive months in the tax year following the tax year in which employment began. To claim the credit, a completed Form 300 must be attached to the tax return.
- (2) **Investment Tax Credit - Form 301:** A qualified business which is not entitled to an employee tax credit may be entitled to the investment tax credit. This credit is only available to an employer with less than 50 employees. The investment must be at least \$5,000 if there are 10 or fewer employees, and increases by \$500 for each additional employee. To qualify for the credit, the investment must be approved by the Urban Enterprise Zones Authority. A completed Form 301 must be attached to the tax return to validate the investment tax credit claim.
- (d) **REDEVELOPMENT AUTHORITY PROJECT TAX CREDIT - FORM 302:** Any taxpayer that is actively engaged in the conduct of business at a location within a project as defined in N.J.S.A. 55:19-1 et seq., and whose business at that location consists primarily of manufacturing or other business that is not retail sales or warehousing oriented, may be entitled to claim the Redevelopment Authority Project Tax Credit. This credit is allowed in the tax year next following the tax year of qualification. To claim the credit, the taxpayer must complete Form 302 and attach it to the tax return. To obtain this form

and related information, refer to the index on page 13. Inquiries regarding the projects should be directed to the New Jersey Redevelopment Authority, PO Box 790, Trenton, New Jersey 08625-0790, phone (609) 292-3739.

- (e) **RECYCLING EQUIPMENT TAX CREDIT - FORM 303:** A taxpayer that purchased qualified recycling equipment on or after October 1, 1987 and received a certification for this equipment from the Commissioner of the Department of Environmental Protection may be eligible to claim the Recycling Equipment Tax Credit. The recycling equipment must have been used exclusively within New Jersey, except for vehicles which must have been used primarily within New Jersey.

The legislation governing this tax credit expired on December 31, 1996, however, any unused credits claimed prior to January 1, 1997, can be taken on the current tax return subject to the limitations set forth on Form 303.

To claim this credit, the taxpayer must complete Form 303 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (f) **MANUFACTURING EQUIPMENT AND EMPLOYMENT INVESTMENT TAX CREDIT - FORM 305:** Investments in qualified manufacturing equipment made in tax years beginning on or after January 1, 1994, may be eligible for the Manufacturing Equipment and Employment Investment Tax Credit. Such investment has the benefit of allowing a tax credit computation for the tax year in which the investment was made as well as each of the following two tax years. The tax credit computation for the first year is based on the cost of the qualified manufacturing equipment placed in service in New Jersey during that tax year. The computations for the two following tax years are based on the average increase in New Jersey residents employed in New Jersey subject to a limitation based on the cost of the investment made in the first year.

The manufacturing equipment portion is limited to 2% (or 4%, if applicable) of the investment credit base of qualified equipment placed in service in the tax year, up to a maximum allowed credit for the tax year of \$1,000,000. The employment investment portion is valid for each of the two tax years next succeeding the tax year for which the manufacturing equipment credit is allowed, but is limited to 3% of the investment credit base, not to exceed a maximum allowable amount for each of the two tax years of \$1,000 multiplied by the increase in the average number of qualified employees.

To claim this credit, the taxpayer must complete Form 305 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (g) **RESEARCH AND DEVELOPMENT TAX CREDIT - FORM 306:** A taxpayer that has performed qualified research activities in New Jersey may be eligible to claim the Research and Development Tax Credit. A credit for increased research activities is allowed based on qualified expenditures made in taxable years beginning on and after January 1, 1994. It provides a credit of 10% of the excess qualified research expenses over a base amount plus 10% of the basic research payments.

Qualified research is limited to scientific experimentation or engineering activities designed to aid in the development of a new or improved product, process, technique, formula, invention, or computer software programs held for sale, lease, or license, or used by the taxpayer in a trade or business. For in-house research expenses (see Section 41(b)(2) of the Internal Revenue Code), this trade or business requirement will be met if the taxpayer's principal purpose for conducting the research is to use the results of the research in the active conduct of a future trade or business (see Section 41(b)(4) of the Internal Revenue Code).

To claim this credit, the taxpayer must complete Form 306 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (h) **SMART MOVES FOR BUSINESS PROGRAMS TAX CREDIT - FORM 307:** A taxpayer that has registered with the New Jersey Department of Transportation and has an authorized report/plan to provide commuter transportation benefits may claim a tax credit based on the direct expenditures attributed to the plan.

The credit may be taken for expenditures attributed to authorized plans approved after January 1, 1994. Taxpayers subject to more than one tax for which the credit can be applied must prorate the credit amount available based on the amount that each liability has to the total of the liabilities in the reporting period.

The ride share credit is equal to 10% of the cost of commuter transportation benefits provided during the reporting period. The maximum calculation equals the per employee limit multiplied by the number of participating employees. The per employee limit is adjusted annually in proportion to the consumer price index.

To claim this credit, the taxpayer must complete Form 307 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (i) **SMALL NEW JERSEY-BASED HIGH-TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT - FORM 308:** A taxpayer may claim a tax credit in an amount equal to 10% of the qualified investment made by the taxpayer during the tax year in a small-New Jersey-based high-technology business. The maximum allowable credit for each tax year is \$500,000 for each qualified investment made by the taxpayer. The small high-technology business must employ less than 225 employees, of which 75% must have jobs in New Jersey. The small high-technology business must conduct pilot scale manufacturing or qualified research in New Jersey in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, environmental technology, and medical device technology. P.L. 1997, c. 349 (N.J.S.A. 54:10A-5.24b) expired for privilege periods beginning on and after July 1, 2001.

To claim this credit, the taxpayer must complete Form 308 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (j) **NEIGHBORHOOD REVITALIZATION STATE TAX CREDIT - FORM 311:** A taxpayer that contributes financial assistance to a nonprofit sponsor may be granted a certificate authorizing a tax credit which may be used to offset their corporation business tax liability. The tax credit may be granted in an amount up to 50% of the approved assistance provided to a nonprofit organization to implement a qualified project that is part of an approved neighborhood preservation and revitalization plan. The credit may not exceed \$500,000 for any taxable year.

To claim this credit, the taxpayer must complete Form 311 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (k) **EFFLUENT EQUIPMENT TAX CREDIT - FORM 312:** A taxpayer that purchases treatment or conveyance equipment for use in treatment of effluent for reuse in an industrial process exclusively within New Jersey may be able to take a tax credit. The credit is equal to 50% of the cost of the treatment equipment or conveyance equipment less the amount of any loan received and excluding the amount of sales and use tax. The amount of credit claimed for the privilege period in which the purchase is made and the amount of credit claimed thereafter in each privilege period thereafter shall not exceed 20% of the amount of the total credit allowable. A copy of the deter-

mination of environmentally beneficial operation issued by the Department of Environmental Protection along with an affidavit affirming the equipment will only be used in New Jersey must be filed with the tax return.

To claim this credit, the taxpayer must complete Form 312 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (l) **ECONOMIC RECOVERY TAX CREDIT - FORM 313:** A taxpayer that is engaged in the conduct of business within a qualified municipality and who is not receiving a benefit under the "New Jersey Urban Enterprise Zones Act" may claim a tax credit equal to \$2,500 for each new full-time position at that location in credit year one and \$1,250 for each new full-time position at that location in credit year two.

To claim this credit, the taxpayer must complete Form 313 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (m) **REMEDIATION TAX CREDIT - FORM 314:** A taxpayer that received certification from the Department of Environmental Protection may be able to claim a tax credit equal to 100% of the eligible costs of the remediation of a contaminated site in New Jersey. Additional requirements must be met to the satisfaction of the Director of the Division of Taxation and are detailed in P.L. 2003, c. 296.

To claim this credit, the taxpayer must complete Form 314 and attach it to the tax return. To obtain this form and related information, refer to the index on page 13.

- (n) **AMA TAX CREDIT - FORM 315:** A taxpayer who in a previous year(s) paid an Alternative Minimum Assessment (AMA) liability which was in excess of the regular CBT liability may take a credit against its regular CBT liability subject to the following limitations. The credit taken shall not reduce the taxpayer's CBT liability to less than the Alternative Minimum Assessment, nor to below 50% of the regular CBT liability otherwise due, nor to below the minimum tax due (\$500 or \$2,000). In addition, other higher priority credits available to the taxpayer per Schedule A-3 must be used before taking the AMA credit.

To claim the AMA Tax Credit, the taxpayer must complete Form 315 and attach it to the return. To obtain this form, refer to the index on page 13.

- (o) **OTHER TAX CREDITS:** Line 15 on Schedule A-3 provides for any valid tax credit(s) allowable in accordance with the New Jersey Corporation Business Tax Act that were not enacted at the time that this packet was printed. Any tax credit(s) claimed on this line must be documented with a valid New Jersey Corporation Business Tax Credit Form, which is required to be submitted with the tax return. This line should not include the credit for taxes paid to other jurisdictions which should properly be reported on page 1, line 10.

**46. INSTALLMENT PAYMENTS:** Taxpayers 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.

- (a) **If the 2005 Total Tax Liability is greater than \$500,** the taxpayer must make installment payments towards 2006. These payments are to be made 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. Details for making these payments can be found in the CBT-150 instructions. Refer to the index on page 13.
- (b) **If the 2005 Total Tax Liability is \$500,** installment payments may be made as indicated in (a) above **OR** in lieu of making

installment payments, the taxpayer may make a payment of 50% of the 2005 total tax liability. For taxpayers who qualify and wish to take advantage of this option, enter on line 16, 50% of the amount on line 15. This will become part of the payment to be made with the 2005 return and installment payments will not be required. This payment should be claimed as a credit when filing the 2006 return.

**47. PAYMENTS AND CREDITS:** Credit for the total amount of the payments and credits listed below should be taken on page 1, line 21:

- (a) Include installment tax payments made with form CBT-150 as well as any payment made on line 16 of the 2004 CBT-100 or line 12 of the 2004 CBT-100S.
- (b) Include the payment, if any, that was remitted with the tentative return, form CBT-200-T.
- (c) Include any overpayment from the preceding tax return which the taxpayer elected to have credited to the current year's tax. Do not include any amount of the overpayment which the taxpayer elected to have refunded.
- (d) Include any payments remitted electronically through the Electronic Funds Transfer Program.
- (e) **Line 21(a)**-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 K-1's reflecting payments made by each partnership entity.

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

**48. LINE 23 - DELINQUENT FILING AND/OR TAX PAYMENT-COMPUTATION OF PENALTY AND INTEREST:**

**Late Filing Penalty** - 5% per month or fraction thereof 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 shall accrue at 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.

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

**Interest** - 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. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News*. See "Tax Forms and Information" on page 13 for information on obtaining copies of the newsletter.

**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.

**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.

**UNDERPAYMENT OF ESTIMATED TAX** - Taxpayers must use either Form CBT-160-A or CBT-160-B to determine whether an underpayment exists in any of the installment payment periods and if the corporation is subject to an interest charge on such underpayment, the amount of interest. 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 should be filed with the taxpayer's return, form CBT-100, as evidence of such exception. The CBT-160 must be attached to the return and any interest due entered on line 23, Page 1 of the form CBT-100.

**49. REFERRAL COST RECOVERY FEE:** In accordance with N.J.S.A. 54:49-12.3, a Referral Cost Recovery Fee of 10% of any tax, penalty and interest due will be added to your liability if the 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 a Certificate of Debt.

**50. AMENDED RETURNS:** To amend CBT-100 returns, use the CBT-100 form for the appropriate tax year and write "AMENDED RETURN" clearly on the front page of the form. Mail to: State of New Jersey, Division of Taxation, CBT Refund Group, PO Box 259, Trenton, NJ 08695-0259.

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\* These schedules and forms are available on the Division of Taxation's web site, from the NJ TaxFax service or by contacting the Division. See instructions below.

### TAX FORMS AND INFORMATION

To quickly obtain tax forms, information and Tax Topics Bulletins, you can access the Division of Taxation's web site at [www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation) or our NJ TaxFax service from your fax machine's phone at (609) 826-4500. NJ TaxTalk provides pre-recorded information on NJ tax topics by calling on a touch-tone phone either within New Jersey at 1-800-323-4400 or (609) 826-4400 elsewhere. If you wish to speak to a Division of Taxation representative, call the Division's Customer Service Center at (609) 292-6400. The New Jersey State Tax News is published electronically on the Division of Taxation's web site at: [www.state.nj.us/treasury/taxation/pub-lnews.shtml](http://www.state.nj.us/treasury/taxation/pub-lnews.shtml). To be notified when new issues become available, subscribe to NJ Tax E-News, the Division's online information service, at: [www.state.nj.us/treasury/taxation/listserv.shtml](http://www.state.nj.us/treasury/taxation/listserv.shtml).

For forms by mail, address your request to: NJ Division of Taxation, Taxpayer Forms Services, PO Box 269, Trenton, NJ 08695-0269.

## **E-CHECK, ELECTRONIC FUNDS TRANSFER (EFT) AND CREDIT CARD PAYMENT INFORMATION FOR ALL CBT VOUCHERS**

You may pay your New Jersey Corporation Business taxes and estimated taxes electronically by e-check or electronic funds transfer (EFT) or by credit card. Go to the Division of Taxation's website at <http://www.state.nj.us/treasury/taxation/> and select "Pay Online". Taxpayers who do not have access to the Internet may call the Division's Customer Service Center at 609-292-6400.

If you choose to pay by credit card (Visa, MasterCard, Discover/Novus or American Express), a convenience fee of 2.5% must be paid directly to Official Payments Corporation. You may also pay by phone at 1-800-2PAYTAX, toll free. You will be prompted to enter a jurisdiction code to make your payment. The code for New Jersey is 4000.

If you are not currently enrolled in the Electronic Funds Transfer program with the Division of Revenue, visit their website at: <http://www.state.nj.us/treasury/revenue/enrollef=.htm>.

Do not use the CBT-100-V or CBT-150 payment voucher if using one of the above methods for payment. The CBT-200-T return must be submitted no matter what method of payment is used.