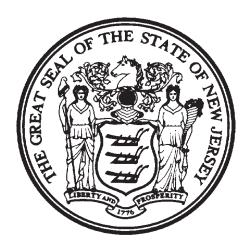STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

Schedule RT
(R. 11/18)

NEW JERSEY CORPORATION BUSINESS TAX

Allocated Tiered Subsidiary Dividend Exclusion

Purpose

Schedule RT is a standalone schedule to be completed and included with a taxpayer's Form CBT-100 or Form BFC-1. Taxpayers will use this schedule to exclude dividends received from a subsidiary if that subsidiary filed a tax return and paid New Jersey corporation business tax on the dividends it received from other subsidiaries. The dividends must have been included in the subsidiary's allocated entire net income and the tax the subsidiary paid on the dividends must have exceeded the minimum tax.

New Jersey follows the federal ownership attribution rules.

A tiered subsidiary is a stand-alone entity that operates on another level within a group of subsidiaries that are owned by an entity that operates on the first level, which is owned by an upper-level parent corporation.

Tiered dividends are dividends reported on the subsidiary's Form CBT-100 or Form BFC-1 as dividend income from the subsidiary which is then issued to the parent company as a dividend.

For example:
Company A has $100,000,000 of dividend income from its subsidiary Company B.

Company B has $80,000,000 of dividend income from subsidiary Company C.

If Company B paid tax on its Form CBT-100 or BFC-1 on the $80,000,000 and has an allocation factor greater than Company A, Company A can exclude $80,000,000 from its CBT-100 or BFC-1.

Part I

Provide the requested information for dividends included in entire net income from investments in which the taxpayer owns 80% or more of the voting stock and all other classes of stock of a subsidiary. Only include itemized dividends if the subsidiary distributing the dividends to the taxpayer filed and paid tax to New Jersey on the dividends in 2017. **DO NOT** include dividend income received from a subsidiary if the subsidiary has not filed and paid tax to New Jersey on the dividends.

Column 2: Include dividends received from a lower tier subsidiary. Use the amount before any dividend exclusion.

Column 3: If an individual row is $2,000 or less, enter 0 in Column 5 of that row. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. If the tax was reduced to less than $2,000 because of a tax credit, use the actual amount.

Column 4: Use the allocation factor as reported on Schedule R, Part II, Section A, line 2. This is the lesser of 3.5% or the average of the allocation factors (from Schedule J) for Tax Years 2014, 2015, and 2016. If one of those returns was a short-year return, the allocation from that year will count for the special three-year average allocation formula. If the taxpayer has filed fewer than three periods, take the average of the periods being reported. All allocation factors must be carried out to 6 decimal places.

Column 5: Carry the amount from line 1 to Part III. Use the amount from line 2 to complete Schedule R (or Schedule PT, if applicable).

Part II

Provide the requested information for all dividends included in entire net income from investments in which the taxpayer took either the 50% or 0% Dividend Exclusion. **DO NOT** include dividend income received from a subsidiary if the subsidiary has not filed and paid tax to New Jersey on the dividends.

Column 4: If an individual row is $2,000 or less, enter 0 in Column 5 of that row. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. If the tax was reduced to less than $2,000 because of tax credits, use the actual amount.

Column 5: Include dividends received from a lower tier subsidiary. Use the amount before any dividend exclusion.

Part III

Add the amounts and carry the total to Schedule R or Schedule PT.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

Schedule RT

ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION (See Instruction 41)

PART I – FOR 80% OR GREATER OWNED SUBSIDIARY WHICH DIVIDEND IS SUBJECT TO 95% EXCLUSION ON SUBSIDIARY'S TAX RETURN

(1) Upper Subsidiary's Information		(2) Dividends Received from Lower Tier Subsidiaries		(3) Upper Subsidiary's		(4) Parent's Allocation	(5) Excludable Amounts Use EITHER Col. A or Col. B for each row	
(a) Name	(b) Federal ID Number	(a) Dividends Received by Parent	(b) Dividends Not Excluded from Upper Subsidiary's Entire Net Income Before Dividend Exclusion	(a) Tax Paid by Subsidiary If an individual row is $2,000* or less, enter 0 in Column 5 of that row	(b) Special Allocation Factor Used by Subsidiary	Enter allocation factor from Section A, line 2 of Schedule R (Part II) or Schedule PT (Part III)	(a) If Col. 3(b) is *greater than or equal to* Col. 4, enter amount from Column 2(b)	(b) If Col. 3(b) is *less than* Col. 4, multiply Col. 2(b) by Col. 3(b) by 5% (.05)

1. Enter the Total of Column 5(a) (include here and on line 1, Part III)..

2. Enter the Total of Column 5(b) (include here and on Schedule R or Schedule PT) ....

PART II – ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION FROM SUBSIDIARY WHICH DIVIDEND IS SUBJECT TO 50% OR 0% DIVIDEND EXCLUSION ON UPPER TIER SUBSIDIARY'S TAX RETURN

Upper Subsidiary's Information		Dividends Received from Lower Tier Subsidiaries		
(1) Name	(2) Federal ID Number	(3) Dividends Received by Parent	(4) Tax Paid by Subsidiary If an individual row is $2,000* or less, enter 0 in Columns 5 of that row.	(5) Dividends Not Excluded from Upper Subsidiary's Entire Net Income Before Dividend Exclusion

1. Total (included here and on line 2, Part III) ....

PART III TOTAL ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION

1. Enter amount from Part I, line 1	1.	
2. Enter amount from Part II, line 1	2.	
3. Add lines 1 and 2 (include here and on Schedule R or Schedule PT)...	3.	

*The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits.