

**FORM 342-IPT
(2-26)**

**New Jersey Insurance Premiums Tax
Cultural Arts Incentives Program Tax Credit**

TAX YEAR	For Calendar Year Ending December 31, _____	
Name as Shown on Return	Federal ID Number	NAIC Number

Read The Instructions Before Completing This Form

Part I Qualifications

1. Has the taxpayer been approved by the New Jersey Economic Development Authority to receive a Cultural Arts Incentives Program Tax Credit?..... YES NO

2. Has the taxpayer received a tax credit or credit transfer certificate issued by the New Jersey Division of Taxation? YES NO

Check the box to indicate a copy of the certificate has been submitted to the Division of Taxation.....

Note: If the answer to question 1 or 2 is "NO," do not complete the rest of this form. The taxpayer is **not** eligible for this tax credit. Otherwise, go to Part II.

Part II Calculation of the Available Credit

3. Enter the approved amount as shown on the tax credit or credit transfer certificate for the current tax period.....	3.	
4. Cultural Arts Incentives Program Tax Credit carried forward from the prior tax period.....	4.	
5. Total credit available (add lines 3 and 4).....	5.	

Part III Calculation of the Allowable Credit Amount and Carryforward

6. Enter tax liability from the applicable IPT form (DEXM, page 2, line 18; DEM, page 2, line 19; EXM, page 3, line 42; or EM, page 3, line 27).....	6.	
7. Other Business Tax Credits taken on current year's return		
(a) _____		
(b) _____		
(c) _____		
(d) _____ Total	7.	
8. Subtract line 7 from line 6. If zero or less, enter zero.....	8.	
9. Allowable credit for the current tax period. Enter the lesser of line 5 or line 8 here and on Schedule BTC of form DEXM, DEM, EXM, or EM.....	9.	
10. Unused credit carryforward (subtract line 9 from line 5).....	10.	

Instructions for Form 342-IPT Cultural Arts Incentives Program Tax Credit

Purpose of this Form

This form must be completed by any taxpayer that claims a Cultural Arts Incentives Program Tax Credit (N.J.S.A. 34:1B-383 et seq.) against the tax due pursuant to N.J.S.A. 54:18A-2, 54:18A-3, 17:32-15, or 17B:23-5. To qualify for this credit, the taxpayer must have received a tax credit certificate or tax credit transfer certificate issued by the New Jersey Division of Taxation. The credit is available to cultural arts institutions for projects involving the development or rehabilitation of a cultural arts institution facility for up to 100% of eligible project costs. If the taxpayer claims this credit on Form DEM, DEXM, EM, or EXM, a completed Form 342-IPT must be attached to the return to validate the claim.

The tax certificate holder, i.e., the cultural arts institution, can sell and transfer the tax credits or use the tax credits as collateral to finance the completion of the cultural arts project. A transferee, i.e., the credit purchaser, can use the credit for the tax period *for which* it was issued, for the tax period *in which* it was issued, or for any of the next three successive tax periods. The transferee may first use the credit against tax liabilities for the tax period in which it was issued or for a succeeding tax period **without being required to amend the tax return** for the tax period for which the credit was issued. **No more than the amount of tax credits equal to the total credit amount, divided by the duration of the eligibility period, in years, may be taken in any tax period.** See N.J.S.A. 34:1B-392(b). A transferee can carry forward any unused portion of the tax credit for use in any of the next five successive tax periods from the tax period for which the certificate was issued regardless of which tax period the credit is first claimed against.

Taxpayers that purchased the tax credit through the Economic Development Authority tax benefit transfer program may also claim the credit using this form and are bound by the rules and limitations in the applicable credit transfer statute for the credit program.

Taxpayers may sell back tax credits to the state under the Division of Taxation tax credit purchase program. For more information, see [Director's Tax Credit Purchase Program](#).

Part I – Qualifications

To be eligible for the tax credit, the answer to questions 1 **and** 2 must be “YES.” If the answer to question 1 or 2 is “NO,” the taxpayer is not entitled to the Cultural Arts Incentives Program Tax Credit.

A copy of the tax credit certificate or tax credit transfer certificate, signed by all parties, along with a cover letter and a copy of the completed Form 342-IPT must be submitted by mail to the New Jersey Division of Taxation, Special Audit–Insurance, PO Box 247, Trenton, NJ 08695-0247. Failure to submit this documentation by mail will result in the delay and/or denial of the tax credit claimed.

Part II – Calculation of Available Credit

Line 3 – The amount of the tax credit is the amount reported on the tax credit certificate or tax credit transfer certificate that was issued by the New Jersey Division of Taxation.

Part III – Calculation of the Allowable Credit Amount and Carryforward

Line 7 – Taxpayers claiming multiple Business Tax Credits must list all tax credits already applied against the tax liability to ensure accuracy of the calculation for maximum credit allowable.

Line 10 – Unused Tax Credits: Any amount of tax credit that exceeds the final tax liability for any tax year may be carried forward for use in a later tax year.

Unused Tax Credits

A transferee can carry forward any unused credit for use in any of the next five successive tax periods from the tax period for which the certificate was issued. Note that each tax credit has its own statutory limitations.