CBT-100S 1995

NEW JERSEY S CORPORATION BUSINESS TAX RETURN

For Taxable Years Ending July 31, 1995 Through June 30, 1996

Taxable year beginning _____, 19_____, and ending _____, 19_____

Place the label provided below. Make necessary corrections on the label. Otherwise, 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

Total assets $_____

☐ Check if initial return ☐ Check if initial CBT-100S

☐ Check if amended return ☐ Check if final return

Date of N.J. S Corporation election _____

State and date of incorporation _____

Date authorized to do business in N.J. _____

Date first began business in N.J. _____

Federal business activity code _____

Corporation books are in the care of _____

at _____

Telephone Number (_____)_____

DIVISION USE

RP NP A _____

FP SP R _____

PAGES 1 AND 2 MUST BE COMPLETED ON THIS FORM. ONLY EXACT COPIES MAY BE SUBSTITUTED.

1.	Entire net income (from Schedule A, line 43)	1
2.	Allocation factor (from Schedule J, Part III, line 5)	2 .
3.	ALLOCATED NET INCOME - Multiply line 1 by line 2. Non-allocating taxpayers must enter the amount from line 1.	3
4.	Tax - Line 3 x .0242 for calendar year taxpayers. See instruction 10(a) for the rates applicable to fiscal year taxpayers.	4
4a.	Total Nonoperational Income $_____ (Attach Schedule O, Part I) (See Instruction 29)	
4b.	Tax Due (N.J. Nexus). (Attach Schedule O, Part III) (Do not enter amount from line 4)	4b
5.	Entire Net Income subject to Federal corporate income taxation (from Schedule A, line 45)	5
6.	Tax (line 5 x .09)	6
7.	AMOUNT OF TAX (lines 4 plus 4b plus 6) (see instruction 10(d) for minimum tax)	7
8.	Credit for taxes paid to other jurisdictions (see instruction 26(a))	8
9.	Subtract line 8 from line 7	9
10.	Tax Credits (from Schedule A-3) (see instruction 17)	10
11.	TOTAL TAX LIABILITY - line 9 minus line 10	11
12.	INSTALLMENT PAYMENT (see instruction 34)	12
13.	Total of line 11 plus line 12	13
14.	PAYMENTS & CREDITS (see instruction 35)	14
15.	Balance of Tax Due - line 13 minus line 14	15
16.	Prorata Share of S Corporation Income for nonconsenting shareholders (from Sch. K, Part VII, line 6, Col. (C))	16
17.	Gross Income Tax paid on behalf of nonconsenting shareholders - Line 16 x .0658 for calendar year taxpayers. See instruction 10(c) for the rates applicable to fiscal year taxpayers.	17
18.	Penalty and Interest Due - (see instructions 7(c) and 36) Penalty _____ Interest _____ TOTAL	18
19.	Interest from CBT-160 (see instruction 37) (Attach Form CBT-160)	19
20.	Total Balance Due - line 15 plus line 17 plus line 18 plus line 19	20
21.	If line 14 is greater than line 13 plus line 17 plus line 18 plus line 19, enter the amount of overpayment _____	
22.	Amount of Item 21 to be credited to 1996 Return _____ Refunded _____	

SIGNATURE and VERIFICATION (See Instruction 12)

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 NO.)

(NAME OF TAX PREPARER'S EMPLOYER) (ADDRESS) (EMPLOYER'S ID NO.)

SCHEDULE A COMPUTATION OF ENTIRE NET INCOME

1.	Gross receipts or sales _____ Less Returns and allowances _____	1	
2.	Cost of goods sold (Schedule A-2, line 8)	2	
3.	Gross profit. Subtract line 2 from line 1	3	
4.	Net gain (loss) from Form 4797 (attach Form 4797) (see instruction 14(b))	4	
5.	Other income (loss) (attach schedule)	5	
6.	Total Income (loss). Combine lines 3 through 5	6	
7.	Compensation of officers	7	
8.	Salaries and wages _____ Less jobs credit _____	8	
9.	Repairs	9	
10.	Bad debts	10	
11.	Rents	11	
12.	Taxes	12	
13.	Interest	13	
14a.	Depreciation — 14a		
14b.	Depreciation claimed on Schedule A-2 and elsewhere on return — 14b		
14c.	Subtract line 14b from line 14a	14c	
15.	Depletion (do not deduct oil and gas depletion)	15	
16.	Advertising	16	
17.	Pension, profit-sharing, etc., plans	17	
18.	Employee benefit programs	18	
19.	Other Deductions (attach schedule)	19	
20.	Total deductions (add lines 7 through 19)	20	
21.	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6 (see instr. 14(a)(1))	21	
22. a.	Gross income from all rental activities — 22a		
b.	Expenses related to the above rental activities (attach schedule) — 22b		
c.	Net income (loss) from all rental activities. Subtract line 22b from 22a	22c	
23.	Portfolio income (loss):		
a.	Interest income	23a	
b.	Dividend income	23b	
c.	Royalty income	23c	
d.	Capital gain net income (attach Schedule D (Form 1120S))	23d	
e.	Other portfolio income (loss) (attach schedule)	23e	
24.	Net gain (loss) under section 1231 (attach Form 4797)	24	
25.	Other income (loss) (attach schedule)	25	
26.	Section 179 expense deduction (attach Form 4562) (see instruction 14(c))	26	
27.	Deductions related to portfolio income (loss)	27	
28.	Other deductions (attach schedule)	28	
29.	Combine lines 21 through 28	29	
30.	Charitable contributions (limited to 10% of line 29)	30	
31.	Taxable income before net operating loss and special deductions. Subtract line 30 from line 29. (see instruction 14(a) (2) and (3))	31	
32.	Interest on Federal, State, Municipal and other obligations not included above (see instruction 14(d))	32	
33.	New Jersey State & other States income taxes deducted above including taxes paid by the corporation on behalf of the shareholder (see instruction 14(e))	33	
34.	Interest paid and/or accrued on indebtedness to stockholders (see Schedule F and instruction 21)	34	
35.	Depreciation and other adjustments from Schedule S (see instruction 30)	35	
36. a.	Deduction for Foreign Taxes paid, withheld or deemed paid (see instruction 14(h))	36a	
b.	Other deductions. Explain on separate rider (see instruction 14(h))	36b	
c.	Other additions. Explain on separate rider (see instruction 14(h))	36c	
37.	Entire net income before net operating loss deduction and dividend exclusion (Total of lines 31 through 36(c))	37	
38.	Net operating loss deduction from Schedule A-1 (see instructions 14(i) and 15)	38	
39.	Entire Net Income before dividend exclusion (line 37 minus line 38)	39	
40.	Dividend exclusion (50% of line 23(b)) (see instruction 14(j))	40	
41.	ENTIRE NET INCOME (line 39 minus line 40)	41	
42.	Entire Net Income that is subject to Federal corporate income taxation (see instruction 14(k)) — 42		
43.	Entire Net Income that is not subject to Federal corporate income taxation (line 41 minus line 42. Carry to page 1, line 1)	43	
44.	Allocation Factor (from Schedule J, Part III, line 5) — 44 .		
45.	Allocated Entire Net Income that is subject to Federal corporate income taxation (line 42 multiplied by line 44. Carry to page 1, line 5)	45	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE A-1 NET OPERATING LOSS DEDUCTION AND CARRYOVER (See Instructions 14(i) and 15)

		(1) Fiscal Year Ended	(2) Loss Reported on Schedule A, line 31	(3) Add N.J. ENI Adj.'s Excluding The Dividend Exclusion	(4) Amount
N.J. NOL'S	1.				( )
	2.				( )
	3.				( )
	4.				( )
	5.				( )
	6.				( )
	7.				( )
N.J. NOL'S Used	8.				
	9.				
	10.				
	11.				
	12.				
	13.				
	14.				
N.J. NOL Carryover	15.	Total lines 1-14, Column 4			

SCHEDULE A-2 COST OF GOODS SOLD

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 17)

1.	New Jobs Investment Tax Credit from Form 304	1.	
2.	EITHER: a) Urban Enterprise Zone Employee Tax Credit from Form 300 OR b) Urban Enterprise Zone Investment Tax Credit from Form 301	2.	
3.	Urban Development Project Employee Tax Credit from Form 302	3.	
4.	Recycling Equipment Tax Credit from Form 303	4.	
5.	Manufacturing Equipment and Employment Investment Tax Credit from Form 305	5.	
6.	Research and Development Tax Credit from Form 306	6.	
7.	Employer Trip Reduction Plan - Ride Share Tax Credit from Form 307	7.	
8.	Total tax credits taken on this return - Add lines 1 through 7. Enter here and on page 1, line 10	8.	5.23

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE B BALANCE SHEET AS OF _____ 19_____

Figures appearing below must be the same as year-end figures shown on the taxpayer's books. If not, explain and reconcile on rider.

Assets	Beginning of the Tax Year	End of Tax Year
1. Cash		
2. Trade notes and accounts receivable (net)		
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 personalty (itemize)		
13. *Total Intangible Personal Property* (total lines 1 to 12)		
14. Land		
15. Buildings and other improvements (net)		
16. Machinery and equipment (net)		
17. Inventories		
18. All other tangible personalty (net) (itemize on rider)		
19. *Total Real and Tangible Personal Property* (total lines 14 to 18)		
20. Total assets (add lines 13 and 19)		
Liabilities and Stockholder's Equity		
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		
28. Paid-in or capital surplus		
29. Retained earnings - appropriated (attach schedule)		
30. Retained earnings - unappropriated		
31. Less cost of treasury stock		
32. Total liabilities and stockholder's equity		

SCHEDULE C RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN (See Instruction 19)

1. Net income per books		7. Income recorded on books this year not included in this return (itemize) (a) Tax-exempt interest $_____ (b) _____ (c) _____	
2. Federal income tax			
3. Excess of capital losses over capital gains			
4. Income subject to tax not recorded on books this year (itemize) _____ _____		8. Deductions in this tax return not charged against book income this year (itemize) (a) Depreciation $_____ (b) Contributions Carryover $_____ _____	
5. Expenses recorded on books this year not deducted in this return (itemize) (a) Depreciation $_____ (b) Contributions Carryover $_____ (c) Other (itemize) $_____		9. Total of lines 7 and 8	
6. Total of lines 1 through 5		10. Income (Item 31, Sch. A) - line 6 less 9	

SCHEDULE E GENERAL INFORMATION (See Instruction 20)

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 13)
   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. **This question must be answered by domestic corporations only -**
   (a) Does the taxpayer hold any personal property, including moneys, negotiable instruments, choses in action, interest, dividends, wages, debts or demands, stocks, bonds, deposits, and the accretions thereon, due or belonging to another where the owner, beneficial owner or person entitled to such property has been unknown, or where the whereabouts of such owner has been unknown, or where such personal property has been unclaimed for a period of fourteen successive years, (five successive years in the case of cash items such as money, wages, cash dividends, etc.) as of the last day of the accounting period covered in this return? "Yes" or "No" _____

   (b) If "Yes," itemize on a separate rider the nature of the property, value thereof and last known names and addresses of such owners or persons.

4. **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 Item 41 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 Item 36(c), Schedule A the difference between the net of such income and the amount of foreign taxes paid thereon not previously deducted.

SCHEDULE F INTEREST EXPENSE TO STOCKHOLDERS OR RELATED CREDITORS (See Instruction 21)

1. Enter the number of outstanding shares of the taxpayer's capital stock _____

2. Do the amounts shown on your balance sheet include any liabilities owed by this taxpayer directly or indirectly to any stockholder or shareholder or to members of his immediate family who, together or in the aggregate, own 10% or more of the outstanding shares of the taxpayer's capital stock? (see inst. 21(b)) "Yes or No" _____

3. Has the taxpayer paid or accrued interest on indebtedness owed to any person falling within the class described at Item 2 above? "Yes or No" _____

4. If the answer to any of the above questions in this schedule is "Yes", give the information required below.

(1) Name of Stockholder or Related Creditor	(2) Total Number of Shares of Stock Held	(3) Percent of Shares of Stock Held	(4) Amount of Indebtedness Due From The Taxpayer Making this Report	(5) Interest Paid and/or Accrued	For Division Use Only
a.					
b.					
c.					
d.					
Total Interest - (Use this figure to compute Item 34, Schedule A)					

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE F-1 CORPORATE OFFICERS - GENERAL INFORMATION AND COMPENSATION

All applicable information should be provided for each corporate officer regardless of whether or not compensation was received.

1. Name and Current Address of Officer	2. Social Security Number	3. Title	4. Dates Employed in this Position From	To	5. Percent of Corporation Stock Owned	6. Amount of Compensation

(a) Total compensation of officers	
(b) Less: Compensation of officers claimed elsewhere on the return	
(c) Total Compensation of officers (enter here and on Schedule A, line 7, page 2)	

SCHEDULE H TAXES (See Instructions 14(e) and 22)

Include ALL taxes paid or accrued during the accounting period wherever reflected on Schedule A.

	(1) New Jersey Taxes	(2) Other States Taxes	(3) Federal Taxes	(4) Total
(a) Corporation Franchise Tax and/or Income Tax				
(b) Local Property Taxes				
(c) U.C.C. or Payroll Taxes				
(d) Other Taxes (attach rider)				

(e) Total Columns 1, 2 & 3	
(f) Taxes paid to foreign countries & U.S. possessions	
(g) Total - All Taxes	

SCHEDULE J Parts I, II, & III ALL TAXPAYERS WHO MAINTAIN A REGULAR PLACE OF BUSINESS OUTSIDE OF NEW JERSEY REGARDLESS OF THE AMOUNT OF ENTIRE NET INCOME REPORTED ON SCHEDULE A, LINE 41, SHOULD COMPLETE SCHEDULE J.

PART I ALL ALLOCATING COMPANIES MUST ANSWER THE FOLLOWING QUESTIONS (See Instruction 24)

(a) State the number of regular corporate places of business maintained outside this State (See instruction 24(b)) _____

(b) List address of at least one such regular place of business _____

(c) List the States in which the taxpayer maintained a permanent and continuous place of business, indicating type of establishment, such as warehouse, factory, store, office, etc. _____

(d) Give address of every factory, warehouse, store, or other place of business in New Jersey, indicating type of establishment _____

(e) Number of people employed (average) in New Jersey _____ outside New Jersey _____

(f) Explain in detail internal controls used in distribution of receipts in and out of New Jersey, as shown in Part III, line 2 _____

(g) State the location of the actual seat of management or control of the corporation _____

Part II AVERAGE VALUES (See Instruction 25)

(a) This schedule showing average values of real and tangible personal property must be completed by every taxpayer entitled to and electing to allocate.

(b) The average values of real and tangible personal property *owned* are to be computed on the basis of the average book values thereof and not on original cost. Rented or leased property is valued at 8 times the annual rent, including any amounts 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.

(c) The frequency upon which the amounts in Columns A and B below have been averaged is _____ (See instruction 25).

ASSETS	AVERAGE VALUES (See instruction 25) (Omit Cents)		DIVISION USE ONLY
	Column A - New Jersey	Column B - Everywhere	
1. Land			
2. Buildings and other Improvements			
3. Machinery and Equipment			
4. Inventories			
5. All other Tangible Personalty Owned (Itemize on Rider)			
6. Property rented or leased (8 X Annual Rent)			
7. All other Property Used			
8. *Total Real and Tangible Personal Property*			

Part III COMPUTATION OF ALLOCATION FACTOR (See Instruction 26)

This schedule should 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% (1.000000).

		COLUMN A (OMIT CENTS)	COLUMN B
1. Average value of the taxpayer's real and tangible personal property: (a) In New Jersey (Part II, Column A, line 8)	1(a)		
(b) Everywhere (Part II, Column B, line 8)	1(b)		
(c) Percentage in New Jersey (line 1(a) divided by line 1(b)). Enter in Col. B.			1(c) .
2. **Receipts:** (a) From sales of tangible personal property shipped to points within New Jersey. (See instruction 26(c))	2(a)		
(b) From services performed in New Jersey	2(b)		
(c) From rentals of property situated in New Jersey	2(c)		
(d) From royalties for the use in New Jersey of patents and copyrights	2(d)		
(e) All other business receipts earned in New Jersey. (See instruction 26(d))	2(e)		
(f) Total New Jersey receipts (Total of lines 2(a) to 2(e), inclusive, in Col. A)	2(f)		
(g) Total receipts from all sales, services, rentals, royalties and other business transactions everywhere.	2(g)		
(h) Percentage in New Jersey (line 2(f) divided by line 2(g)). Enter in Col. B.			2(h) .
3. Wages, salaries and other personal service compensation (See instruction 26(e)) (a) In New Jersey	3(a)		
(b) Everywhere	3(b)		
(c) Percentage of New Jersey (line 3(a) divided by line 3(b)). Enter in Col. B.			3(c) .
4. Sum of New Jersey percentages shown at lines 1(c), 2(h) and 3(c). Enter in Col. B.			4 .
5. *Allocation Factor* (line 4 divided by three, or by the number of percentages included on line 4. See instruction 26(f)). Enter in Col. B and carry to Line 2, page 1, and line 44, page 2, and Schedule K, Part III, line 3.			5 .

Complete by carrying the fraction to six (6) decimal places. Do not express as a percent. Example:

$\frac{123,456}{1,000,000}$ = . 1 2 3 4 5 6

SCHEDULE K SHAREHOLDERS' SHARES OF INCOME, DEDUCTIONS, ETC. (See Instruction 27)

PART I

1. Total number of shareholders ..... _____
2. Total number of nonresident shareholders ..... _____
3. a. Total number of nonconsenting shareholders ..... _____
   b. Percentage of stock owned ..... _____ %

PART II NEW JERSEY S CORPORATION INCOME

1. Amount from Schedule A, line 21		1.	
2. Add the following amounts from Federal 1120S, Schedule K			
a. Net income (loss) from rental real estate activities	a		
b. Net income (loss) from other rental activities	b		
c. Interest income	c		
d. Dividend income	d		
e. Royalty income	e		
f. Net short-term capital gain (loss)	f		
g. Net long-term capital gain (loss)	g		
h. Other portfolio income (loss)	h		
i. Net gain (loss) under section 1231	i		
j. Other income	j		
k. Tax-exempt interest income	k		
l. Other tax-exempt income	l		
Total of 2(a) through 2(l)		2.	
3. Add line 1 plus line 2		3.	
4. Additions:			
a. Interest income on state and municipal bonds other than New Jersey	a		
b. New Jersey State and other states' income taxes deducted in arriving at line 3 including taxes paid on behalf of the shareholder	b		
c. All expenses included in line 3 to generate tax exempt income	c		
d. Losses included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14 and 6-14.1	d		
Total of 4(a) through 4(d)		4.	
5. Add line 3 plus line 4		5.	
6. Subtractions:			
a. U.S. Treasury and other interest income included in line 3 from investments exempt under N.J.S.A. 54A:6-14. and 6-14.1	a		
b. Gains included in line 3 from U.S. Treasury and other obligations pursuant to N.J.S.A. 54A:6-14. and 6-14.1	b		
c. IRS Section 179 expenses from Federal Schedule K	c		
d. The 50% of meals and entertainment expenses not deductible for Federal purposes	d		
e. Other subtractions	e		
Total of 6(a) through 6(e)		6.	
7. New Jersey S Corporation Income - Subtract line 6 from line 5		7.	

PART III ALLOCATION OF S CORPORATION INCOME

1. New Jersey S Corporation Income (Part II, line 7)	1.	
a. Current period nonoperational activity (Schedule O Part I, line 34)	1a	
2. Total operational income (line 1 minus line 1a)	2.	
3. Allocation factor (Schedule J, Part III, line 5)	3.	
4. Allocated operational income (line 3 x line 2)	4.	
5. Allocated nonoperational income (Schedule O, Part III, line 31)	5.	
6. Total allocated income (line 4 plus line 5)	6.	
7. New Jersey CBT reported on CBT-100S (Page 1, line 6)	7.	
8. New Jersey allocated income (line 6 minus line 7)	8.	
9. Income not allocated to New Jersey (line 1 minus line 6)	9.	

Name as Shown on Return | Federal ID Number

PART IV - A ANALYSIS OF NEW JERSEY ACCUMULATED ADJUSTMENTS ACCOUNT

	(A) New Jersey AAA	(B) Non New Jersey AAA	(C) Total of Columns (A) & (B)
1. Beginning balance			
2. Net pro rata share of S corporation income			
3. Other income / loss			
4. Other reductions			
5. Total lines 1-4			
6. Distributions			
7. Ending balance (line 5 minus line 6)			

PART IV - B NEW JERSEY EARNINGS AND PROFITS

1. Beginning Balance	1.	
2. Additions / Adjustments	2.	
3. Dividends paid	3.	
4. Ending balance (line 1 plus line 2 minus line 3)	4.	

PART V SUMMARY OF RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	(C) Pro Rata Share Income / Loss	(D) Distributions
1.			
2.			
3.			
4.			
5.			
6. TOTAL			

PART VI SUMMARY OF CONSENTING NON-RESIDENT SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income / Loss		(E) Distributions
		(C) Allocated to NJ	(D) Not Allocated to NJ	
1.				
2.				
3.				
4.				
5.				
6. TOTAL				

PART VII SUMMARY OF NONCONSENTING SHAREHOLDERS' PRO RATA SHARES

(A) Name	(B) Social Security Number	Pro Rata Share Income / Loss		(E) Distributions	(F) Gross Income Tax Paid
		(C) Allocated to NJ	(D) Not Allocated to NJ		
1.					
2.					
3.					
4.					
5.					
6. TOTAL					

SCHEDULE S PART 1 - DEPRECIATION AND SAFE HARBOR LEASING (See Instruction 30)

1. Section 179 Deduction	1	
2. MACRS - for assets placed in service during **accounting periods** beginning on and after July 7, 1993	2	
3. MACRS - for assets placed in service during **accounting periods** beginning prior to July 7, 1993	3	
4. ACRS	4	
5. Other Depreciation - for assets placed in service after December 31, 1980	5	
6. Other Depreciation - for assets placed in service prior to January 1, 1981	6	
7. Listed Property	7	
8. Total Depreciation claimed in arriving at Taxable Income, Line 31, Schedule A	8	

ATTACH FEDERAL FORM 4562 TO RETURN

Adjustments at Line 35, Schedule A
Depreciation and Certain Safe Harbor Lease Transactions

9. **Additions**
   (a) ACRS and MACRS from Lines 3, 4, 5 & 7 above ..... a._____
   (b) Distributive share of ACRS and MACRS from a partnership ..... b._____
   (c) Deductions on Federal return resulting from an election made pursuant IRC to Section 168(f)8 exclusive of elections made with respect to mass commuting vehicles.
   Interest ..... $_____
   Rent ..... $_____
   Amortization of Transactional Costs $_____
   Other Deductions ..... $_____ c._____
   Total Line 9 (Lines a, b and c) ..... 9 _____

10. **Deductions**
   (a) New Jersey depreciation - (From Part II of this schedule) ..... a._____
   (b) Recomputed depreciation attributable to distributive share of recovery property from a partnership (From Part II of this schedule) b._____
   (c) Any income included in the return with respect to property described at Line 9(c) solely as a result of that election ..... c._____
   (d) 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 (From Part II of this schedule) ..... d. _____
   (e) Excess of accumulated ACRS and MACRS over accumulated N.J. depreciation on physical disposal of recovery property (attach computations) ..... e._____
   Total line 10 (Lines a, b, c, d and e) ..... 10 _____

11. **ADJUSTMENT** - (line 9 minus line 10) Enter at line 35, Schedule A ..... 11 _____

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER

SCHEDULE S - PART II

N.J. Depreciation on Recovery Property Placed in Service On or After January 1, 1981 and Prior to Taxpayers Fiscal or Calendar Accounting Periods Beginning On and After July 7, 1993.

A. Description of property	B. Month, Day and Year placed in service*	C. Use Federal basis	D. Depreciation allowable in earlier years	E. Method of figuring depreciation	F. Life or rate	G. N.J. depreciation computations
* Year placed in service acceptable for personal property only. DO NOT USE "VARIOUS" IN ANY COLUMN. Class Life Asset Depreciation Range (CLADR) System Depreciation - Attach Computations Other depreciation (See instructions):						

Instructions

Column A - Do not classify as 3, 5, 10 or 15 year property. Classify consistent with Internal Revenue Code at December 31, 1980. Account for distributive share of partnership property and deductions separately. Do not include certain safe harbor lease property.

Column B - Clearly segregate property placed in service during each year. Depreciation on personal property is to be computed using the half-year convention such that one half year depreciation is to be claimed to the exclusion of any other depreciation convention allowable under the Internal Revenue Code at December 31, 1980 for property placed in service during the current year.

Column C - Basis is to be determined at the date property is placed in service and not as provided under the Internal Revenue Code at December 31, 1980. It is not to be restated where ACRS was accepted for certain property placed in service during 1981.

Column D - Depreciation allowable under the method adopted and consistently applied for property described. Do not adjust for the effect of any ACRS deducted on the New Jersey Corporation Business Tax Return for property placed in service during 1981.

Column E - Any method allowable under the Internal Revenue Code at December 31, 1980.

Column F - Any life or rate permissible under the Internal Revenue Code at December 31, 1980. (LIVES PERMISSIBLE UNDER THE IRS CODE AT DECEMBER 31, 1980 FREQUENTLY DIFFER FROM ACRS AND MACRS LIVES)

Column G - Consider any salvage value which was required to be considered under Internal Revenue Code at December 31, 1980. Do not claim depreciation in the year of disposal. Accumulated depreciation may not exceed accumulated ACRS and MACRS deductions over the life of the property and deductions for the final year or years are limited where ACRS was deducted on the New Jersey return for property placed in service during 1981.

SCHEDULE **NJ-K-1**
(Form CBT-100S)
(8-95)

STATE OF NEW JERSEY
Division of Taxation

SHAREHOLDER'S SHARE OF INCOME / LOSS

1995

For calendar year 1994 or tax year beginning _____, 19____, and ending _____, 19____

Shareholder's identifying number	Federal employer identification number
Shareholder's name, address, and ZIP code	Corporation's name, address, and ZIP code

See Instructions on Reverse Side

PART I

1. Shareholder's percentage of stock ownership for tax year .... _____%
2. Shareholder ..... ☐ resident ..... ☐ nonresident
3. Shareholder ..... ☐ consenting ... ☐ nonconsenting
4. Check applicable box: ... ☐ Final NJ-K-1 .. ☐ Amended NJ-K-1

PART II

1. S Income allocated to NJ ..... _____
2. S Income not allocated to NJ ..... _____
3. Pro rata share of S Corporation Income (line 1 plus line 2) ... _____
4. Total payments made on behalf of shareholder ..... _____
5. Distributions ..... _____

Individual shareholders should follow instructions contained in their NJ-1040 return packet regarding the amounts reported in this section.

PART III SHAREHOLDER'S NJ ACCUMULATED ADJUSTMENTS ACCOUNT

	New Jersey AAA	Non New Jersey AAA
1. Beginning balance		
2. Income / Loss		
3. Other Income/Loss		
4. Other reductions		
5. Total lines 1-4		
6. Distributions		
7. Ending Balance (line 5 minus line 6)		

PART IV SHAREHOLDER'S NJ EARNINGS AND PROFITS ACCOUNT

1. Beginning balance ..... _____
2. Additions/Adjustments ..... _____
3. Dividends received ..... _____
4. Ending balance (line 1 plus line 2 minus line 3) ..... _____

PART V

1. Interest paid to shareholder (per 1099-INT) ..... _____
2. Indebtedness:
   a. From corporation to shareholder ..... _____
   b. From shareholder to corporation ..... _____

THIS FORM MAY BE REPRODUCED

INSTRUCTIONS FOR SCHEDULE NJ-K-1

PART I

Line 1 Shareholder's percentage of stock ownership as reported on Federal 1120S.

Line 2 Indicate shareholder's residency status at year's end.

Line 3 Indicate whether shareholder is a consenting or nonconsenting shareholder.

Line 4 If applicable, indicate if this schedule is a final or amended NJ-K-1.

PART II

Line 1 Enter shareholder's share of New Jersey allocated S corporation income from Part III, line 8 of Schedule K.

New Jersey S corporations which claim a credit for taxes paid to other jurisdictions in accordance with N.J.A.C. 18:7-8.3 will report 100% of the shareholder's net pro rata share as allocated to New Jersey.

Line 2 Enter shareholder's share of S corporation income not allocated to New Jersey from Part III, line 9 of Schedule K.

Line 4 Total payments made on behalf of the shareholder as reported in Part VII, Column (F), of Schedule K. This amount must equal the amount of the payment reported on Form NJ-1040-SC, Payment on Behalf of Nonconsenting Shareholders.

Line 5 Enter distributions shareholder received during the year as reported in Part V, VI or VII, of Schedule K.

PART III

Lines 1-7 Enter shareholder's share of New Jersey Accumulated Adjustments (AAA) from Part IV-A, Schedule K.

PART IV

Lines 1-4 Enter shareholder's share of New Jersey Earnings and Profits from Part IV-B, Schedule K.

PART V

Line 1 Enter the amount of any interest paid to the shareholder which should be reported by the S corporation on Federal Form 1099-INT. Include any other interest paid to the shareholder that was deducted by the S corporation in arriving at income reflected in Part II, line 9 of Schedule K.

Line 2 a. Enter the total amount of indebtedness of the corporation to the shareholder at year's end.

b. Enter the total amount of indebtedness of the shareholder to the corporation at year's end.

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (8-95)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First Name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___ , ___ . __

THIS FORM MAY BE REPRODUCED

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (8-95)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First Name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___ , ___ . __

THIS FORM MAY BE REPRODUCED

FOR OFFICIAL USE ONLY

New Jersey Gross Income Tax

Payment on Behalf of Nonconsenting Shareholders

NJ 1040-SC (8-95)

Tax Year Beginning _____ and Ending _____

New Jersey S Corporation Information			Shareholder Information		
Federal Identification Number	NJ Corporation Number		Social Security Number _____ / _____ / _____		
Taxpayer Name			Last Name	First Name	
Address			Street Address		
City	State	Zip Code	City	State	Zip Code

Amount of Payment from Schedule K, Part VII, Column (F) of the CBT-100S $ ___ , ___ . __

THIS FORM MAY BE REPRODUCED

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date:

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date:

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

INSTRUCTIONS FOR NJ-1040-SC

For the S Corporation:

1. A separate form must be completed for each nonconsenting shareholder and submitted with the CBT-100S. Attach the completed form(s) to the front of page 1 of the CBT-100S that is filed by the corporation.
2. Payment Due Date:

   Payment should be remitted no later than the time for the filing of the CBT-100S for the accounting or privilege period of the S corporation.
3. The payment amount on the NJ-1040-SC should match the amount on the individual shareholder's NJ-K-1, Part II, line 4.
4. The remittance for the total of all NJ-1040-SC forms is to be included with any corporation business tax due as shown on page 1 of the CBT-100S form.
5. A copy of the completed form must be supplied to each shareholder on whose behalf it was filed on or before the due date of the CBT-100S.

For the Shareholder:

1. Payments made by the S corporation on behalf of the shareholder does not release the shareholder of his responsibility for making estimated payments as required under the New Jersey Gross Income Tax Statutes.
2. A copy of the NJ-1040-SC form must accompany the NJ-1040-NR (nonresident) return you file. The payment is to be claimed on the return along with any other estimated payments you have made.
3. Be sure to keep a copy of the form for your records.

CBT-100A

STATE OF NEW JERSEY

DIVISION OF TAXATION CORPORATION TAX

INSTRUCTIONS FOR CORPORATION BUSINESS TAX RETURN
(FORM CBT-100 - 1995)

SCHEDULE CHART

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

CLASS OF TAXPAYER	SCHEDULES														
	A	B	C	C-1	E	F	F-1	H	J	L	M	P	R	S	S-1*
1. Non-Allocating	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
3. Investment Co.	X	X	X	X	X	X	X	X		X		X	X	X	X
4. Reg. Inv. Co.											X				
5. Real Est. Inv. Trust	X	X	X	X	X	X	X	X			X		X	X	X

* Only S Corporations which have not elected to be New Jersey S Corporations are required to complete Schedule S-1.

1. **Please read all instructions carefully before completing returns.**
   (a) 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 the bottom of page 8.

   (b) Remove the pre-printed name and address label from the front of the booklet and place it in the appropriate space provided on the return. If any information on this label is incorrect, make all necessary changes on the label. If no label is provided, print or type the Federal Employer Identification Number, New Jersey Corporation Number, Corporation Name, complete address and zip code in the space provided on the return.

   (c) 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.

2. 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 or an exact reproduction thereof. If the answer to any item is "No" or "None", write "No" or "None". Do not merely leave the item blank.

3. (a) **1995 ACCOUNTING PERIODS AND DUE DATES:**
   The 1995 Corporation Business Tax Return should only be used for accounting periods ending on and after July 31, 1995 through June 30, 1996. The due dates for all 1995 Corporation Business Tax Returns and payments are reported on the following schedule.

If accounting period ends on:	July 31, 1995	Aug. 31, 1995	Sept. 30, 1995	Oct. 31, 1995	Nov. 30, 1995	Dec. 31, 1995
Due date for filing is:	Nov. 15, 1995	Dec. 15, 1995	Jan. 15, 1996	Feb. 15, 1996	Mar. 15, 1996	Apr. 15, 1996
If accounting period ends on:	Jan. 31, 1996	Feb. 29, 1996	Mar. 31, 1996	Apr. 30, 1996	May 31, 1996	June 30, 1996
Due date for filing is:	May 15, 1996	June 15, 1996	July 15, 1996	Aug. 15, 1996	Sept. 15, 1996	Oct. 15, 1996

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 8/31/95 may be filed on a 1994 Federal 1120; the same taxable year must be filed on a 1995 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 or 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 forms ordering instructions on page 8 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. 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. Every corporation which incorporates, qualifies or otherwise acquires a taxable status in New Jersey must file a Corporation Business Tax Return.

(2) Every corporation that elects to be a New Jersey S Corporation must file a "New Jersey S Corporation 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 15, 1996, the taxpayer will be deemed "delinquent" if no return is filed on or before April 15, 1996.

5.13

4. (a) **PAYMENT OF TAX: Make remittance payable to "State of New Jersey - CBT" and forward with return to Division of Taxation - Corporation Tax, CN 666, Trenton, N.J. 08646-0666. 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 38 for further information.

5. **ELECTRONIC FUNDS TRANSFERS**: The Division of Taxation has established procedures to allow the remittance of tax payments through Electronic Funds Transfer (EFT). Taxpayers with a prior year's liability of $50,000 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 or write to N.J. Division of Taxation, EFT Section, CN-191, Trenton, N.J. 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:**

   (a) The Division of Taxation will grant an automatic extension of six (6) months for filing the final Corporation Business Tax Return, except for banking and financial business corporations where extensions are limited to five (5) months. No extensions will be granted unless requested on tentative return form CBT-200T which must be postmarked on or before the original due date for filing the return. The Tentative Return must show the full name, address, Federal Employer Identification Number, N.J. Corporation Number, the tax liability, and must be submitted with payment for the total amount due.

   (b) In general, the extended period may not exceed six (6) months from the original due date of the return.

   (c) **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.

      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. The prime rates are published in the quarterly issues of the New Jersey State Tax News.

      (2) Insufficiency Penalty - If the amount paid with the Tentative Return, Form CBT-200T, 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 on 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 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. Schedule S-1 must be completed and a copy of form 1120S as filed must be submitted in lieu of completing lines 1 through 27 on Schedule A of the CBT-100. 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.

   (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 Special Audit Section, Division of Taxation, 50 Barrack Street, Trenton, New Jersey, 08646 or by calling (609) 292-5300.

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 sheet.

11. **TAX RATE:**

   (a) The tax rate is 9.00% (.09) on adjusted entire net income or such portion thereof as may be allocable to New Jersey.

   (b) **INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS:** The tax payable by Investment Companies and Real Estate Investment Trusts shall be computed at the rate stated above. Minimum tax $250.

   (c) **REGULATED INVESTMENT COMPANY:** The tax payable by a qualified Regulated Investment Company is $250.00.

   (d) **MINIMUM TAX:** Minimum tax requirements are as follows:

Period **beginning** in calendar year	1994	1995	1996
Domestic Corporations	$50	$100	$150
Foreign Corporations	$100	$200	$200

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.

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 State department or agency, authorizing the company to engage in corporate activity within this State; or (3) does business in 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 general partner of a New Jersey partnership is deemed doing business in the state and should 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 and remit the minimum tax.

14. **SIGNATURE:** Each return must be signed by an officer of the corporation authorized to act to the effect that the statements contained therein are true. 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. For tax years ending on and after July 31, 1989, the form CBT-100-X must be used.

FEDERAL/STATE TAX AGREEMENT: The New Jersey Division of Taxation and the Internal Revenue Service have entered into a Federal/State agreement 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. In lieu of completing lines 1 to 28, taxpayers (except for Former DISC's, Interest Charge DISC's, Federal S Corporations or Foreign Sales Corporations) may submit a copy of the corresponding Federal Income Tax return. See Instruction 25. 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:**

(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, 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 on 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.

(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.

(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. 1120-S filers which have not elected to be New Jersey S Corporations must report the amount from line 7, Schedule S-1 of the CBT-100.

(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:** See Instruction 23 for explanation of basis for determining amount to be entered on this line.

(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, on or measured by profits or income, or business presence or business activity, taken as a deduction in Schedule A and reflected in line 28.

(g) **Line 32:** Enter the depreciation and other adjustments from Schedule S (See Instruction 35).

(h) **Line 33(a): DEDUCTION FOR FOREIGN TAXES PAID, WITHHELD, OR DEEMED PAID:** Taxes actually paid to or withheld by a foreign country and claimed as a credit on the Federal Income Tax Return may be deducted only to the extent that the related income is included in entire net income on line 38. Any such taxes appearing as a deduction in arriving at line 28, entire net income before special deductions or net operating loss deduction, on the Federal Income Tax Return must be adjusted to the extent that they relate to dividends excluded from line 38. Attach a copy of the Federal Foreign Tax Credit Form 1118.

The portion of any 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 a deduction for foreign taxes.

Lines 33(b) and (c): Use these lines to report amounts of (1) adjustments not otherwise specifically provided for and (2) gross income, less deductions and expenses in connection therewith, from sources outside the United Sates, not included in Federal taxable income. Attach separate riders explaining fully such items.

Line 33 (d): Enter the net effect of the elimination of nonoperational activity from Schedule O, Part I, line 36.

(i) **Line 35:** A net operating loss for any taxable year ending after June 30, 1984 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 must be completed if the net operating loss deduction is taken. See Instruction 17.

(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.

(k) **RIGHT OF DIRECTOR TO CORRECT DISTORTIONS OF NET INCOME:** The Director is authorized to adjust and redetermine 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:** Complete this schedule only if a net operating loss has been carried forward from a previous tax year and claimed as a deduction on the current year's return. Use lines 1 through 7, columns 1 through 4 to compute the net operating loss from a previous tax year or years. Determine the amount of the net operating loss by adding back to the loss reported on Schedule A, line 28, all New Jersey adjustments except for the dividend exclusion for that tax year. Use lines 8 through 14 in columns 1 and 4 to report for each year a net operating loss deduction is taken, the amount of the previous year's net operating loss used to offset entire net income before the dividend exclusion. The net amount reported on line 15 represents the unused net operating loss carryover available for future use.

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.

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 8 must equal the amount reported on page 1, line 12. Refer to instruction 37 for tax credit information.

20. **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 who is included in a consolidated Federal income tax return must complete this schedule on its own separate basis.

21. 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 25.

(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.

22. 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.

23. SCHEDULE F - INTEREST EXPENSE: Interest paid or accrued on indebtedness to stockholders or related creditors which was deducted in computing taxable net income on line 28 of Schedule A must be reported on Schedule F. Enter the total of such interest expense, less the statutory reduction of 10% or $1,000, whichever is greater, on line 30 of Schedule A.

(a) Include interest paid or accrued on indebtedness owing directly or indirectly to holders of 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes including debts owed to corporate stockholders as well as to individual stockholders. For the purpose of determining the degree of stock ownership of a corporate creditor, the shares of the taxpayer's capital stock held by all corporations bearing the relationship of parent, subsidiary or affiliate of the corporate creditor shall not be aggregated.

(b) Include interest paid or accrued on indebtedness owed directly or indirectly to any stockholder or shareholder and to members of his immediate family where a stockholder and members of his immediate family together or in the aggregate own or beneficially own 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes. "Immediate family" shall include every person in a collective body of persons living together in one household in a permanent and domestic character under one head or management.

(c) Where any interest paid or accrued on indebtedness owed directly or indirectly to holders of 10% or more of the aggregate outstanding shares of the taxpayer's capital stock of all classes relates to bonds or other evidence of indebtedness issued, with stock, pursuant to a bona fide plan of reorganization to persons, who prior to such reorganization, were bona fide creditors of the corporation or its predecessors, but who were not stockholders or shareholders thereof, such interest is deductible in full.

(d) Interest paid or accrued on indebtedness which is a result of a bona fide financing of motor vehicle inventory held for sale to customers, which financing is provided by a taxpayer customarily and routinely providing for this type of financing, is not to be included at Column 5, Schedule F. This exclusion is limited to interest paid on indebtedness relating to floor-planning of motor vehicles evidenced by a trust receipt or similar document and only with respect to unsold motor vehicles. The indebtedness must be owing directly to a creditor which is a taxpayer and not indirectly through a related or affiliated entity. The taxpayer, or a corporation which is a parent or subsidiary of the taxpayer, must be the manufacturer of the motor vehicle financed.

(e) In the case of Financial Business Corporations which are funded through debt from affiliated corporations, the interest paid or accrued on such debt is deductible in full provided that the interest rate does not exceed 2% over the prime rate to be determined by the Commissioner of Banking.

(f) In the case of Banking corporations, interest is deductible in full to the extent it relates to indebtedness to a bank holding company, of which the banking corporation is a subsidiary, or to indebtedness to another banking corporation with respect to federal funds transactions overned by Section 23A of the Federal Reserve Act, (12 U.S.C. § 371c.) when both banking corporations are subsidiaries of the same bank holding company as defined in 12 U.S.C. § 1841.

24. SCHEDULE H - TAXES:

(a) 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 on Schedule A.

(b) Foreign taxes taken as a credit for Federal Income Tax purposes should be shown at line (f), column 4 of this schedule and separately identified on Schedule C. See also Instruction 16(h).

25. OPTIONAL COPIES OF SCHEDULES A, C, AND C-1:

Any taxpayer who files an unconsolidated Federal Form 1120 with the Internal Revenue Service may submit copies of page 1 and Schedules M-1 and M-2 of that return in lieu of completing lines 1 to 28 of Schedule A and 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 order and must be attached to the return form. The taxpayer's full name and identifying number must be typed or printed on each reproduced page or copy.

26. 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.

27. 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 thereof on a 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.

28. SCHEDULE J PART III - 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 the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

(b) **LINE 1 - PROPERTY FRACTION:** For general information regarding method of valuation in arriving at average values, see Instruction 27. 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) - ALLOCATION OF RECEIPTS:** 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 38, Schedule A, must not be included in the numerator or denominator of the receipts fraction.

(e) **LINE 3 - PAYROLL FRACTION:** In general, a taxpayer reporting to the Division of Employment Security 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.

(f) **ALLOCATION FRACTIONS - GENERAL:** The allocation factor is computed by adding together the percentages shown at lines 1(c), 2(h) and 3(c) of Schedule J, Part III for the period covered by the return, and dividing the total of the percentages by three (3). However, if one of the fractions (property, receipts or payroll) is missing, the other two percentages are added and the sum is divided by two, and 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.

(1) 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.

29. SCHEDULE L - INVESTMENT COMPANIES:

(a) Every taxpayer electing to report as an Investment Company must meet the qualifications contained in this schedule. See Instruction 30 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.

30. 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 and Page 1 of the return.

31. 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. This schedule may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

32. SCHEDULE O - NONOPERATIONAL ACTIVITY: Corporations that claim to have nonoperational activity or nonoperational assets must complete Schedule O. This schedule may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

33. 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.

34. 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 percent of the total combined voting power of all classes of stock entitled to vote and at least 80 percent 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. Taxpayer shall not include money market fund income as part of the dividend exclusion.

35. SCHEDULE S - DEPRECIATION AND SAFE HARBOR LEASING: All taxpayers 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.

LINE 9 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 distributive share of ACRS and MACRS from a partnership.

(c) 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.

LINE 10 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 9(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.

(b) Deduct recomputed depreciation attributable to distributive share of recovery property from a partnership.

(c) 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.

(d) Where the user/lessee of qualified lease property which is precluded from claiming a deduction for rent under 9(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 10(a) of this instruction.

(e) 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 9(a) over related depreciation claimed on that property at line at line 10(a). A statutory merger or consolidation shall not constitute a disposal of recovery property.

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

36. SCHEDULE S-1 - MODIFICATION OF FEDERAL TAXABLE INCOME FOR S CORPORATIONS: This schedule must be completed by S Corporations which have not elected to be New Jersey S Corporations to modify the Federal income (loss) reported on form 1120S to a C Corporation basis. Certain items of income and expense which pass through to the individual shareholders on the Federal Form K must be reported on this schedule. A copy of form 1120S, including Schedule K, must be submitted with the CBT-100. Complete this schedule in lieu of completing lines 1 through 27 on Schedule A.

Distributive income items are to be reported on lines 2(a) through (d) and distributive expense items are to be reported on lines 4(a) through (d). Deductible contributions are limited to 10% of taxable income for New Jersey purposes and should be computed without regard to the amount of contributions deducted for Federal purposes. Use lines 2(d) and 4(d) to report amounts of income and deductions not otherwise specifically provided for. Attach riders explaining fully such items.

37. TAX CREDITS:

(a) **NEW JOBS INVESTMENT TAX CREDIT:** 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 (50 for large businesses) new jobs, with a median annual compensation of $27,650 for tax years beginning in 1994 and $28,500 for tax years beginning in 1995. 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.

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 business taxpayer in 1995 means a taxpayer with an annual payroll of not more than $2,050,300 and annual gross receipts of not more than $6,150,950.

To claim this credit, the taxpayer must complete Form 304 and attach it to the tax return. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

(b) **URBAN ENTERPRISE ZONE TAX CREDITS:** A taxpayer which 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, Bridgeton, Camden, Elizabeth, Jersey City, Kearny, Lakewood, Long Branch, Millville, Mount Holly, Newark, Orange, Passaic, Paterson, Perth Amboy, Phillipsburg, Plainfield, Pleasantville, Trenton, Union City and Vineland. Further information can be obtained from the New Jersey Urban Enterprise Zones Authority, Department of Commerce, Energy and Economic Development, CN 829, 20 West State Street, Trenton, New Jersey 08625-0829, phone (609) 292-1912.

The forms required to validate the employee tax credit (Form 300) and the investment tax credit (Form 301) are available from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8. Specific information on these tax credits can be obtained from the Tax Counselor's Branch, phone (609) 292-5994.

(1) **Employees Tax Credit:** This credit is available to a taxpayer who 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:** 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.

(c) **URBAN DEVELOPMENT PROJECT TAX CREDIT:** Any taxpayer who 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 Urban Development 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. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8. Inquiries regarding the projects should be directed to the New Jersey Urban Development Corporation, CN 834, 150 West State Street, Trenton, New Jersey 08625-0834.

(d) **RECYCLING EQUIPMENT TAX CREDIT:** A taxpayer who purchased qualified recycling equipment on or after October 1, 1987 and who 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 credit may only be taken by taxpayers who both own and use recycling equipment and is not available to lessors or lessees of such equipment.

To claim this credit, the taxpayer must complete Form 303 and attach it to the tax return. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

(e) **MANUFACTURING EQUIPMENT AND EMPLOYMENT INVESTMENT TAX CREDIT:** 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% 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. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

(f) **RESEARCH AND DEVELOPMENT TAX CREDIT**: A taxpayer who 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. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on the bottom of page 8.

(g) **EMPLOYER TRIP REDUCTION PLAN - RIDE SHARE TAX CREDIT:** A taxpayer who has registered with the New Jersey Department of Transportation and who has received approval for a 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 5% (for accounting periods beginning on or after January 1, 1994 through December 31, 1994 and 10% thereafter through December 31, 2004) of the cost of commuter transportation benefits provided during the reporting period. The maximum calculation equals the per employee limit ($36 for accounting periods beginning on and after January 1, 1994 but before January 1, 1995, and $72 for those periods thereafter) multiplied by the number of participating employees. The per employee limit will be adjusted in subsequent periods in proportion to the consumer price index.

To claim the credit the taxpayer must complete Form 307 and attach it to the tax return. This form and related information may be obtained from the Forms Distribution Section which can be contacted by following the instructions on page 8.

38. **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 1995 Total Tax Liability is $500 or more,** the taxpayer must make installment payments towards 1996. 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. Details for making these payments can be found in the CBT-150 instruction booklet.

(b) **If the 1995 Total Tax Liability is less than $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 1995 total tax liability. For taxpayers who qualify and wish to take advantage of this option, enter on line 14, 50% of the amount on line 13. This will become part of the payment to be made with the 1995 return and installment payments will not be required. This payment should be claimed as a credit when filing the 1996 return.

39. **PAYMENTS AND CREDITS:** Credit for the total amount of the payments and credits listed below should be taken on page 1, line 16:

(a) Include installment tax payments made with the form CBT-150 as well as any payment made on line 14 of the 1994 tax return.

(b) Include the payment, if any, that was remitted with the tentative return, form CBT-200T.

(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.

40. **DELINQUENT FILING AND/OR TAX PAYMENT - COMPUTATION OF PENALTY AND INTEREST:**

Late Filing Penalty - 5% per month or fraction thereof of the total tax liability (Line 13) not to exceed 25% of such tax liability.

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.

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. The applicable prime rates are published in the quarterly issues of the New Jersey State Tax News.

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.

41. **UNDERPAYMENT OF ESTIMATED TAX:** The form CBT-160 must be used by taxpayers to determine whether an underpayment exists in any of the installment payment periods or if the corporation is subject to an interest charge, and if so, 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 19, Page 1 of the form CBT-100.

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Schedule S-1	Modification of Federal Taxable Income for S Corporations
Form 300 *	Urban Enterprise Zone Employees Tax Credit and Credit Carry Forward
Form 301 *	Urban Enterprise Zone Investment Tax Credit and Credit Carry Forward
Form 302 and 302-A *	Urban Development Project Employees Tax Credit and Credit Carry Forward
Form 303 *	Recycling Equipment Tax Credit
Form 304 and 304-A *	New Jobs Investment Tax Credit
Form 305 and 305-A *	Manufacturing Equipment and Employment Investment Tax Credit
Form 306 and 306-A *	Research and Development Tax Credit
Form 307 and 307-A *	Employer Trip Reduction Plan - Ride Share Tax Credit

* Must be requested from the Division's Forms Distribution Section.

TAX FORMS AND INFORMATION

Requests for forms should be addressed to the New Jersey Division of Taxation, Forms Distribution Section, CN 269, 50 Barrack Street, Trenton, NJ 08646-0269. You may also telephone 1-800-323-4400 to listen to prerecorded information or to order forms and publications, or (609) 588-2200 to talk to a Division representative.