

Income/Franchise:

New Jersey: New and Updated Bulletins Reflect CBT Law Changes Involving Gross Income Tax, NOLs, and Combined Groups

Tax Bulletin No. TB-112: Gross Income Tax Allocation and Uniformity with Corporation Business Tax Sourcing for Receipts Business Income, N.J. Div. of Tax. (10/11/23); *Tax Bulletin No. TB-95(R): Net Operating Losses and Combined Groups*, N.J. Div. of Tax. (rev. 10/11/23); *Tax Bulletin No. TB-94(R): General Information on the Net Operating Loss Regime for Tax Years Ending on and After July 31, 2019*, N.J. Div. of Tax. (rev. 10/11/23); *Tax Bulletin No. TB-111: Changes to the Dividend Exclusion and the Historic Ordering of Net Operating Losses, the Dividend Exclusion, and the International Banking Facility Deduction*, N.J. Div. of Tax. (10/11/23); *Tax Bulletin No. TB-98(R): Federal Return and the Forms and Schedules Required to be Included with the Corporation Business Tax Return*, N.J. Div. of Tax. (rev. 10/11/23); *Tax Bulletin No. TB-101 (R): Income Reporting and Accounting Methods of Non-US Corporations Members of a Combined Group*, N.J. Div. of Tax. (rev. 10/13/23); *Tax Bulletin No. TB-103 (R): Guidance on New Jersey's Conformity to I.R.C. §1502 for Combined Returns*, N.J. Div. of Tax. (rev. 10/13/23). The New Jersey Division of Taxation (Division) posted new and updated bulletins reflecting recently enacted legislation that made significant changes to New Jersey's corporation business tax (CBT) for privilege periods ending on and after July 31, 2023 [see A.B. 5323 (2023) and previously issued Multistate Tax Alert for more details on these recent law changes], and which, among other topics, cover the following:

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb112.pdf>

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb95.pdf>

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URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb111.pdf>

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb98.pdf>

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb101.pdf>

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb103.pdf>

URL: <https://www.njleg.state.nj.us/bill-search/2022/A5323>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-new-jersey-enacts-changes-to-corporation-tax-laws.pdf>

- Requirement for gross (individual) income tax taxpayers (including partnerships) to follow the same sourcing rules required for CBT purposes on business receipts as it pertains to New Jersey sourcing rules beginning as of January 1, 2023 – meaning that such business receipts are sourced using the single sales factor method and market-based sourcing method;
- Changes to the CBT rules related to the dividend exclusion, and the historic ordering of the net operating loss (NOL) deduction, dividend exclusion, and international banking facility deduction;
- Changes affecting a CBT combined group's NOL deduction;
- Changes affecting forms and schedules that must be included with the CBT return; and
- Changes affecting income reporting and accounting methods for non-US corporations that are included in a combined CBT return claiming treaty protection.

Please contact us with any questions.

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