

Income/Franchise:

New Jersey Division of Taxation Comments on Individual Income Tax Application of Hedge Fund Legislation

Filing Topics: Hedge Fund Legislation, N.J. Div. of Tax. (12/4/23). Commenting on state legislation signed into law on September 14, 1998 involving hedge funds, the New Jersey Division of Taxation (Division) explains that nonresident taxpayers will *not* be deemed to be carrying on a trade or business in New Jersey for New Jersey gross (individual) income tax purposes if:

URL: <https://www.nj.gov/treasury/taxation/hedge.shtml>

1. Their only activity is the buying and selling of intangible personal property,
2. Such intangible personal property is for the account of the trade or business only, and
3. The trade or business does not hold the intangible personal property for sale to customers. According to the Division, this legislative amendment “places New Jersey on equal footing with many of its neighboring states that already have similar provisions in their state income tax codes.”

Please contact us with any questions.

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