

Income/Franchise:

New Jersey Division of Taxation Describes Scope of Work as it Seeks Quotes for Transfer Pricing Specialists to Assist with CBT Audits

Letter to Prospective Bidders re: Accounting, & Technical Consulting Services Related to Transfer Pricing; Request for Quotes, N.J. Div. of Tax. (10/11/24). Following up from its earlier memo addressing the same [see *State Tax Matters*, Issue 2024-33, for more details on this earlier memo], the New Jersey Division of Taxation (Division) posted a letter to “prospective bidders,” seeking quotes from tax consultants with “expertise in providing assistance to state taxing authorities on transfer pricing audit adjustments.” According to the letter, these consultants must be considered “an expert in private industry or be supported by an accounting firm, law firm, or educational institution with broad technical expertise in the area of transfer pricing, to assist the Division in determining accurate and defensible transfer pricing adjustments on Corporation Business Tax audits.” The Division also explains that such consultancy services will include:

URL: <https://www.nj.gov/treasury/taxation/pdf/pubs/tb/solicitationtransferpricing-2024.pdf>

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240816_2.html

- Assisting the Division on select Corporation Business Tax audits to review and analyze intercompany transactions discovered under audit;
- Performing an in-depth review and analysis of transfer pricing studies provided in support of intercompany transactions;
- Preparing expert report concerning transfer pricing study of intercompany transactions and rebuttal report;
- Determining and recommending to the Division proper audit adjustments necessary to enforce arm’s length standards, including detail to support adjustments;
- Participating as an expert witness in tax settlement negotiations; and
- Providing expert testimony to uphold recommended audit adjustments.

The Division continues to state that such consultants will “support the Audit Branch of the Division and work directly with employees of the Division on a case by case basis,” and they must agree “to keep Audit Representative apprised periodically on status of work and provide written recommendations and reports in a timely manner.” Please contact us with any questions.

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