

Recodified from N.J.A.C. 18:35-1.10 and amended by R.1998 d.195, effective April 20, 1998.

See: 30 N.J.R. 612(a), 30 N.J.R. 1428(a).

In (h), changed N.J.A.C. reference.

18:35-7.4 Summer payment plan

(a) Certain deferred payments, authorized under a so-called "summer payment plan" under N.J.S.A. 18A:29-3, whereby an amount equal to ten percent of the employee's salary is withheld and paid to the participant in the plan at a later date are subject to tax under the New Jersey Gross Income Tax Law, P.L. 1976, c.47 (N.J.S.A. 54A:1-1 et seq.), at the time withheld and not at the time paid, provided that a similar treatment is given under the Internal Revenue Code and regulations thereunder for Federal income tax purposes.

(b) Section 54A:8-3 of the New Jersey Gross Income Tax Act, P.L. 1976, c.47 (N.J.S.A. 54A:8-3), provides that a taxpayer's accounting method under this Act shall be the same as his accounting method for Federal income tax purposes. Therefore, if for Federal income tax purposes an employee who participates in such a deferral plan is deemed to have received the salary at the time that the salary was withheld and placed into a deferred salary escrow fund, such income will also be deemed to have been received and subject to tax for New Jersey gross income tax purposes at that time. Such salary would not then be subject to New Jersey gross income tax when the employee receives a payment from the deferred salary escrow fund.

R.1976 d.415, effective December 16, 1976.

See: 9 N.J.R. 52(a).

Recodified from N.J.A.C. 18:35-1.1 by R.1998 d.195, effective April 20, 1998.

See: 30 N.J.R. 612(a), 30 N.J.R. 1428(a).

18:35-7.5 Gambling winnings subject to withholding

(a) Every payor of New Jersey gambling winnings which are subject to withholding, as defined in (d) below, shall deduct and withhold New Jersey gross income tax thereon in an amount equal to three percent of payments made to both New Jersey residents and nonresidents as defined in N.J.S.A. 54A:1-2(m) and (n). Such withholding shall be required in all instances wherein the payor of such winnings is required to withhold for Federal income tax purposes under subsection (q) of section 3402 of the Federal Internal Revenue Code of 1986 (26 U.S.C. § 3402), as amended.

(b) The tax imposed under N.J.S.A. 54A:7-1(c) and this section shall not apply:

1. With respect to the payment of winnings from the New Jersey Lottery; and
2. With respect to a payment of winnings from a slot machine, or a keno or bingo game.

(c) Any person receiving a payment of New Jersey gambling winnings subject to withholding must furnish the payor a statement made under the penalties of perjury containing:

1. The name, address, and taxpayer identification (social security) number of the winner accompanied by a declaration that no other person is entitled to any portion of such payment; or
2. The name, address, and taxpayer identification (social security) number of the recipient and of every person entitled to any portion of such payment.
3. The requirement set forth in (c)1 and 2 above may be satisfied by providing the payor with a copy of Federal Form W-2G or 5754, whichever is applicable.

(d) New Jersey gambling winnings subject to withholding means any payment from:

1. A wager placed in a sweepstakes, wagering pool or lottery, other than the New Jersey Lottery, but only if the proceeds from the wager exceed \$1,000; or
2. Any other wagering transaction, including but not limited to, a wagering transaction in a parimutuel pool with respect to horse races, but only if the proceeds from the wager:
 - i. Exceed \$1,000; and
 - ii. Are at least 300 times as large as the amount of the wager.
3. If proceeds from a wager as set forth in (d)1 and 2 above qualify as winnings subject to withholding, then the total proceeds from the wager, and not merely amounts in excess of \$1,000, are subject to withholding.

(e) Proceeds from a wager is the amount paid with respect to a wager, less the amount of the wager. Amounts paid with respect to identical wagers are treated as paid with respect to a single wager for purposes of calculating the amount of proceeds from a wager.

1. In determining the amount paid with respect to a wager, proceeds which are not money shall be taken into account at the fair market value.
2. Periodic payments, including installment payments or payments which are to be made periodically for the life of a person, are aggregated for purposes of determining the proceeds from a wager. The aggregate amount of period payments to be made for a person's life shall be based on the person's life expectancy. For purposes of determining the amount subject to withholding, the first periodic payment shall be reduced by the amount of the wager.

(f) Payments to any person of winnings subject to withholding under this section shall be treated as if they are wages paid by an employer to an employee under the provisions of N.J.S.A. 54A:7-2 through N.J.S.A. 54A:7-7; provided, however, that such payments shall be considered gambling winnings for all other purposes under the Gross Income Tax Act (N.J.S.A. 54A:1-1 et seq.).

New Rule, R.1988 d.407, effective September 6, 1988.
 See: 19 N.J.R. 2255(a), 20 N.J.R. 2310(c).
 Recodified from N.J.A.C. 18:35-1.20 by R.1998 d.195, effective April 20, 1998.
 See: 30 N.J.R. 612(a), 30 N.J.R. 1428(a).

18:35-7.6 Filing of withholding returns by professional athletic teams

Any "professional athletic team" (as defined by N.J.A.C. 18:35-5.1(b)1) which pays compensation to a resident or nonresident individual for services rendered to the team within New Jersey shall be deemed to be an "employer" and shall be required to withhold New Jersey gross income tax return from that portion of the compensation attributable to "duty days" spent in New Jersey, as defined in N.J.A.C. 18:35-5.1(b)3.

Recodified from N.J.A.C. 18:35-1.22(c) and amended by R.1998 d.195, effective April 20, 1998.
 See: 30 N.J.R. 612(a), 30 N.J.R. 1428(a).
 Changed N.J.A.C. references.

18:35-7.7 Commuter transportation benefits reporting by employer

(a) Pursuant to N.J.S.A. 54A:7-2, an employer shall provide an employee with a written statement as prescribed by the Director in (b) below showing the cost of commuter transportation benefits paid by the employer to the employee. Should said benefits exceed the amount of \$720.00 for the taxable year beginning on or after January 1, 1993, but before January 1, 1994, then the amount received by the employee in excess of \$720.00 shall be includable in gross income of the employee. For taxable years following thereafter, the Director shall adjust the limit, rounded down to the nearest \$5.00, in proportion to the change in the average consumer price index for all urban consumers in the New York and northeastern New Jersey and the Philadelphia areas, as reported by the United States Department of Labor, from calendar year 1993 to the calendar year ending before the taxable year. Notice of the adjusted limit shall be published in the New Jersey Register. Amounts received by the employee not exceeding \$720.00 shall not be included in the employee's gross income.

(b) The written statement required to be provided by the employer to the employee as set forth in (a) above may be set forth on a W-2 form or other written information statement showing the amount of such benefits.

New Rule, R.1995 d.19, effective January 3, 1995.
 See: 26 N.J.R. 4173(a), 27 N.J.R. 143(a).
 Public Notice: Commuter transportation benefit limit for 1995.
 See: 27 N.J.R. 4737(a).
 Public Notice: Commuter transportation benefit limit for 1995.
 See: 28 N.J.R. 2639(a).
 Public Notice: Commuter transportation benefit limit for 1996.
 See: 28 N.J.R. 5510(a).
 Public Notice: Commuter transportation benefit limit for 1996.
 See: 29 N.J.R. 813(c).
 Recodified from N.J.A.C. 18:35-1.28 by R.1998 d.195, effective April 20, 1998.
 See: 30 N.J.R. 612(a), 30 N.J.R. 1428(a).
 Public Notice: Commuter transportation benefit limit for 1998.

See: 30 N.J.R. 2533(a).
 Public Notice: Commuter transportation benefit limit for 1999.
 See: 31 N.J.R. 1112(b).
 Public Notice: Commuter transportation benefit limit for 2000.
 See: 32 N.J.R. 1088(a).

18:35-7.8 Information of employer withholding from new employees

(a) The New Jersey Economic Development Authority shall submit data to the Director no later than April 1 of each year, for the preceding grant year, setting forth information regarding businesses applying for a grant under either the Business Employment Incentive Program Act (P.L. 1996, c.26) or the Business Relocation Assistance Act (P.L. 1996, c.25) (both referred to as "Act"). This information shall set forth the following relative to said business.

1. A list of the names, job titles and job locations of existing employees of said business not subject to a grant under the Act;

2. A list of the names and date hired and/or the date each new employee began employment at the project of said business in an eligible position for grant purposes under the Act, their base salary, overtime and bonuses paid, and the amount of New Jersey gross income tax withheld from each new employee and their city and state of residence;

3. The aggregate amount of payroll and withholdings for all employees in New Jersey;

4. The percentage and term of any grant pursuant to the Business Employment Incentive Program Agreement;

5. The amount of the grant to be disbursed to the business pursuant to the Business Relocation Assistance Act requiring the Treasurer's certification and the percentage upon which the grant is based;

6. The percentage and term of the grant to be disbursed to the business pursuant to the Business Employment Incentive Program Agreement requiring the Treasurer's certification;

7. A statement as to whether the applicant business has followed the criteria as set forth in guidelines promulgated by Economic Development Authority under the Act; and

8. A list of eligible positions that have been filled by persons who are rehired from a bona fide layoff or transferred from another company.

(b) The Director, upon receipt of the information referred to in (a) above, shall send to each business awarded a grant under the Act, a Declaration of Annual Withholding Information for Purposes of the Business Employment Incentive Program, Form NJ-9000, to be completed and returned not later than May 7 to New Jersey Division of Taxation, PO Box 445, Trenton, NJ 08625-0445.

(c) Form NJ-9000 shall consist of a certification setting forth: