

**NEW JERSEY DIVISION OF TAXATION  
REGIONAL OFFICES**

Office	Address	Counties
Bridgewater	1011 U.S. Highway 22 2nd Floor P.O. Box 6818 Bridgewater, NJ 08807	Hunterdon Morris Somerset
Randolph	121 Center Grove Road Randolph, NJ 07869	Sussex Warren
* * *		
Cherry Hill	11 West Ormond Ave. 1st Floor Cherry Hill, NJ 08002	Camden Gloucester
Turnersville	390 Hurffville- Cross Keys Rd. Center Sq. Shopping Ctr. Sewell, NJ 08080	Salem Burlington*
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Fair Lawn	2208 Route 208, South Fair Lawn, NJ 07410	Bergen Passaic
* * *		
Newark	1100 Raymond Blvd. Room 103, 1st. Floor Newark, NJ 07102	Essex Hudson Union
* * *		
Sea Girt	2100 Highway 35 Old Mill Plaza Suite C Sea Girt, NJ 08750	Middlesex Monmouth Ocean
* * *		
Vineland	80 South Main Rd. Suite 112 Vineland, NJ 08360	Atlantic Cape May Cumberland
Northfield	1915-A New Road (Rt. 9) Northfield, NJ 08225	
* * *		
Mid-Jersey	University Office Plaza 3635 Quakerbridge Rd. CN-269 Trenton, NJ 08646	Burlington* Mercer
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TRENTON	TAXATION BUILDING 50 Barrack Street, 1st Floor Lobby Trenton, NJ 08646	Mercer

\*Burlington County is served by both the Mid-Jersey and Turnersville offices.  
For forms or information please visit one of our Regional Offices or call (609) 292-6400 or Toll Free 1-(800) 323-4400.  
write to us:  
**Taxpayer Services**  
New Jersey Division of Taxation  
50 Barrack St. CN-269  
Trenton, NJ 08646-0269

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# TAX TIPS STARTING a BUSINESS in NEW JERSEY

New Jersey Division of Taxation  
John R. Baldwin, Director  
September 1989

## New Jersey State Library



## REGISTRATION

- **Starting a business?**
- **Opening an additional place of business?**
- **Buying an existing business?**
- **Incorporating?**

You must file an **Application for Registration (Form CIS-1)** with the New Jersey Division of Taxation even if you don't think you will be collecting or withholding taxes. There's no fee for registration, but you must file an application within three days of starting business. Registration is our way of making sure you receive all the forms and information you need to comply with New Jersey tax laws.

**Identification number**—Once you've registered, you will be assigned a nine-digit identification number which will appear on all pre-printed forms you receive from the Division. This number usually corresponds to either your Federal Identification Number or your Social Security Number. Be sure to include this number on all checks and correspondence you send to the Division.

**Buying an existing business**—To protect yourself from becoming liable for any delinquent taxes owed by the previous owners, you must notify the Division of Taxation, Bulk Sales Section at least 10 days before the sale, by registered mail. State the conditions of the sale, the selling price and whether or not, to your knowledge, there are any delinquent taxes due.



## INCORPORATION

If you are planning to incorporate, you must obtain a charter from the Secretary of State. Write to the Office of the Secretary of State, Forms Department, Corporate Division, CN 300, Trenton, New Jersey 08625, or call (609) 530-6434.

**CORPORATION BUSINESS TAX**—New Jersey imposes a tax on both domestic and foreign corporations operating in this State. The corporation return (**CBT-100**) must be filed within three months and fifteen days following the close of your fiscal year. During the year, estimated returns (**CBT-150**) are also required. Corporation returns will be mailed to you once you have registered with the Division of Taxation.

## NEW JERSEY SALES TAX

### CERTIFICATE OF AUTHORITY

If you indicate on your Application for Registration that you will be collecting sales tax, remitting use tax, or using exemption certificates, you will receive by mail a **Sales Tax Certificate of Authority**. The Certificate of Authority is your permit to collect sales tax and to use exemption certificates. It must be displayed prominently at your place of business.

### BUYING FOR YOUR BUSINESS— USING EXEMPTION CERTIFICATES

When you buy materials (inventory) for resale, or materials which will become part of the product you sell, you are not required to pay sales tax—provided you issue a **New Jersey Resale Certificate (Form ST-3)** to your supplier.

Certain production machinery and most

## NEW JERSEY SALES TAX

packaging supplies are exempt from sales tax because of their intended use. You may use an **Exempt Use Certificate (Form ST-4)** when purchasing these items and pay no sales tax. Other common uses of the Exempt Use Certificate are listed on the back of the certificate.

**PLEASE NOTE:** There are special exemption certificates for use by registered exempt organizations (**Form ST-5**) and contractors doing work for exempt organizations (**Form ST-13**).

### SELLING YOUR PRODUCT— COLLECTING SALES TAX

If you sell taxable items or services in New Jersey, you are required to collect a 6% sales tax and remit it to the State. You should not collect tax if the purchaser issues you a valid New Jersey exemption certificate or if your product is delivered to the buyer out-of-State. Contact Taxpayer Services if you are unsure whether an item you are planning to sell is taxable. Information on the taxability of intra/inter State sales is also available upon request.

### FILLING SALES TAX RETURNS

You must file a **New Jersey Sales and Use Tax Quarterly Return (ST-50)** every three months, even if in that particular quarter you have collected no tax. Businesses that collect more than \$100 per month in sales tax must also file **Monthly Remittance Statements (ST-51)**.

**NOTE:** Seasonal businesses are required to file returns only for the period of time in which they conducted business.

## EMPLOYER RESPONSIBILITIES

If you are an employer, you are required to withhold income tax from the wages of your employees except Pennsylvania residents (see below). This tax must be remitted to the Division of Taxation on either a semi-monthly, monthly, quarterly or semi-annual basis, using the **Employer's Return of Gross Income Tax Withheld (Form NJ-500)**. The rates range from 2% to 3.5%. You will receive the forms, withholding tables and instructions you will need once you have registered.

### PENNSYLVANIA RESIDENTS WORKING IN NEW JERSEY

You are not required to withhold New Jersey income tax from an employee who is a Pennsylvania resident if that employee completes a **Certificate of Nonresidence** (available from Taxpayer Services). For information about withholding Pennsylvania personal income tax, write to the Pennsylvania Department of Revenue, Information Services Division, Box 8056, Strawberry Square, Harrisburg, PA 17105, or call (717) 787-8201.

### WAGE AND TAX STATEMENTS FOR YOUR EMPLOYEES

Employers must furnish two copies of the Wage and Tax Statement (W-2) to each employee from whom any amount of income tax was withheld or would have been withheld under the withholding tables and methods issued by the Division of Taxation. Effective January 1, 1983, New Jersey law also requires the inclusion on the W-2 of the separate amounts deducted and withheld as worker contributions for Unemployment and Disability Insurance as provided under the New Jersey Unemployment Compensation Law. In

addition, employers must file a reconciliation of **New Jersey Gross Income Tax Withheld (Form NJ-W-3)**, along with Copy 1 of the W-2, with the Division of Taxation on or before February 15th following the close of the calendar year.

### A REMINDER

Sole proprietors and partners must report the net income from their business on the New Jersey Gross Income Tax Return. Declarations of **Estimated Tax (NJ-1040-ES)** must be filed quarterly if you estimate your New Jersey income tax liability to be \$100 or more in excess of any credits.

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## ITEMS OF INTEREST

**BUSINESS ASSISTANCE**—For further assistance in getting started, in management consulting or for general information about business in New Jersey, contact the Office of Small Business Assistance at the Department of Commerce and Economic Development, 1 West State St., CN 823, Trenton, New Jersey, 08625, or call (609) 984-4442.

**ENVIRONMENTAL PROTECTION**—Information about licenses and permits required by this Department may be obtained by writing to the Department of Environmental Protection, CN 402, Trenton, New Jersey, 08625, or by calling (609) 292-2662.

**FEDERAL FORMS AND INFORMATION**—Contact the Internal Revenue Service. Their toll-free number is 1-800-424-1040.

**UNEMPLOYMENT AND DISABILITY INSURANCE**—If you have employees, you must register your business with the Division of Unemployment and Disability Insurance, Department of Labor Building, Room 305, Trenton, New Jersey, 08625, or call (609) 292-2638.

**WORKER'S COMPENSATION**—Contact the Division of Worker's Compensation, Department of Labor Building, CN-381, Trenton, New Jersey, 08625, or call (609) 292-2509.

**WAGE REPORTING**—For information concerning employer compliance contact the New Jersey Department of Labor, Office of the Controller, CN 256, Trenton, New Jersey, 08625 or call (609) 633-6400.

**URBAN ENTERPRISE ZONES**—Designated Urban centers may receive special provisions to enhance the economic development in specific economically distressed areas. For information contact either your local Economic Development agency or the Department of Commerce and Economic Development, 1 West State St., CN 829, Trenton, New Jersey, 08625-0829 or call (609) 292-2765.

**LITTER TAX**—The Clean Communities and Recycling Act, imposes a litter control tax effective April 21, 1986, on the sale of certain litter-generating products in New Jersey. For more information concerning this tax, please call Taxpayer Services.

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## WE'RE TAXPAYER SERVICES

### *Our Business is Serving You*

This brochure has been designed as an introduction to New Jersey taxes for new businesses in this State. It is only a guide.

If you need more information about anything we've mentioned in this brochure (the New Jersey Use Tax, for example), or if you have any questions about New Jersey taxes, we can help. We offer small business seminars, walk-in tax assistance and a Tax Information Hotline for your convenience.