

CORPORATION BUSINESS TAX ACT

CHAPTER 7

CORPORATION BUSINESS TAX ACT

Authority

N.J.S.A. 54:10A-27.

Source and Effective Date

R.1994 d.186, effective March 14, 1994. See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

Executive Order No. 66(1978) Expiration Date

Chapter 7, Corporation Business Tax Act, expires on March 14, 1999.

Chapter Historical Note

Chapter 7, Corporation Business Tax Act, was filed and became effective prior to September 1, 1969. Pursuant to Executive Order No. 66(1978), Chapter 7 was readopted as R.1984 d.95, effective March 19, 1984. See: 16 N.J.R. 229(a), 16 N.J.R. 746(c). Subchapter 15, Urban Enterprise Zones Act, was originally filed and adopted as R.1984 d.496, effective November 5, 1984. See: 16 N.J.R. 1325(a), 16 N.J.R. 3057(a). Subchapter 16, International Banking Facilities, was adopted as R.1984 d.453, effective October 15, 1984. See: 16 N.J.R. 1327(a), 16 N.J.R. 2827(a). Pursuant to Executive Order No. 66(1978), Chapter 7 was readopted as R.1989 d.196, effective March 14, 1989. See: 21 N.J.R. 14(a), 21 N.J.R. 1019(b).

Pursuant to Executive Order No. 66(1978), Chapter 7 was readopted as R.1994 d.186. See: Source and Effective Date. As a part R.1994 d.186, Subchapter 6, Valuation, was repealed effective April 18, 1994. See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b). See, also, section annotations.

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#### SUBCHAPTER 1. CORPORATIONS SUBJECT TO TAX UNDER THE ACT

##### 18:7-1.1 Corporation business tax; general provisions

For all returns where the accounting period begins after June 30, 1986, the tax is measured by the portion of entire net income allocable to New Jersey, subject to the minimum tax described in N.J.A.C. 18:7-3.4(c).

**18:7-5.7 Right of Director to independently determine net income**

If in the opinion of the Director the method employed in N.J.A.C. 18:7-5.6 does not properly reflect the taxpayer's net income properly apportionable to New Jersey under the Act for the period covered by its New Jersey return, the Director may determine entire net income solely on the basis of the taxpayer's income during such period.

Amended by R.1994 d.186, effective April 18, 1994.  
See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

**Statutory References**

N.J.S.A. 54:10A-17(a).

**18:7-5.8 (Reserved)**

Repealed by R.1994 d.186, effective April 18, 1994.  
See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

Section was "Procedure for computing short period return".

**18:7-5.9 (Reserved)**

Repealed by R.1979 d.45, effective February 6, 1979.  
See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).

Formerly entitled "Procedure for computing when taxpayer alters corporate identity".

**18:7-5.10 Right of Director to correct distortions of net income allocation factors; adjustments and redeterminations**

(a) Whenever it shall appear to the Director that any taxpayer fails to maintain its records in accordance with sound accounting principles or conducts its business or maintains its records in a manner so as either directly or indirectly to distort its true entire net income or the proportion thereof properly allocable to this State, or whenever any taxpayer maintains a place of business outside this State, or whenever any agreement, understanding or arrangement exists between a taxpayer and any other corporation or any person or firm, for the purpose of evading tax under the Act, or whereby the activity, business, receipts, expenses, assets, liabilities, or net income of the taxpayer are improperly or inaccurately reflected, the Director is authorized and empowered, in his or her discretion and in whatever manner he or she may determine, to adjust and redetermine such items, and to adjust items of gross receipts, tangible or intangible property and payrolls within and without the State and the allocation of entire net income or to make any other adjustments in any tax report or tax return as may be necessary to make a fair and reasonable determination of the amount of tax payable under the Act.

1. Where any taxpayer conducts its activity or business under any agreement, arrangement or understanding in such manner as either directly or indirectly to benefit its members or stockholders, or any of them, or any person or persons directly or indirectly interested in such activity or business, by entering into any transaction at more or less than a fair price which, but for such agreement,

arrangement or understanding, might have been paid or received therefor; or

2. Any taxpayer, a substantial portion of whose capital stock is owned either directly or indirectly by or through another corporation, enters into any transaction with such other corporation on such terms as to create an improper loss or net income, the Director may include in the entire net income of the taxpayer the fair profits which, but for such agreement, arrangement or understanding, the taxpayer might have derived from the transaction.

3. For purposes of this section, "fair and reasonable tax" is the tax that would have been payable by a taxpayer reporting the same transaction(s) on a separate entity basis where the parties to the transaction(s) had independent economic interests.

4. For purposes of this section, "substantial portion of stock" is the direct or indirect ownership of 20 percent or more of the outstanding shares of any class of stock. For purposes of arriving at this level of ownership the stock attribution rules of IRC section 318 will be used.

5. Under N.J.S.A. 54:10A-10(b) interest should be charged on loans or advances made by one related party to another from the day after the debt arises until the debt is satisfied. With respect to intercompany trade receivables of related taxpayers, interest is not required to be charged on an intercompany trade receivable before the first day of the third calendar month.

i. If the creditor is regularly engaged in the business of making loans or advances, the arm's length interest rate should be charged. Upon failure to do so, the Division of Taxation can determine what interest should have been charged. Where the creditor is not in the business of loaning money or making advances, either an arm's length rate based on the facts and circumstances or a safe haven rate is acceptable. However, the safe haven rule does not apply to any loan or advance in which the interest or principal amount is expressed in a currency other than U.S. dollars.

ii. For interest paid or accrued on a loan or advance, a safe haven rate is one that is between 100 percent and 130 percent of the Applicable Federal Rate (AFR) as determined under Internal Revenue Code Section 1274(d) in effect on the date that the loan or advance is made. Adjustments for inadequate interest would be made at 100 percent of the AFR and adjustments for excessive interest would be made at 130 percent of the AFR. In the case of a sale-leaseback transaction, the lower limit would be 110 percent of the AFR. In determining the rate of interest actually charged on a written loan or advance, any original issue discount included in income by the lender or any bond premium deducted by the lender is to be taken into account.

6. Where a service by one member of a group to another member is rendered for less than an arm's length charge, the Division of Taxation may make appropriate allocations to reflect an arm's length charge for that service. The arm's length charge is equal to the costs or deductions incurred by the member performing the service, except in cases where the service is an integral part of the business activity of either member.

7. If tangible property is made available by one member of the group to another, the latter should be charged the arm's length rental charge.

8. Where one member of a group of controlled entities sells or otherwise disposes of tangible property to another at other than an arm's length price, a proper allocation will be made between the seller and the buyer using the following methods.

i. Comparable uncontrolled price method: This method must be used if there are comparable uncontrolled sales (sales between outsiders or a member and an outsider where the property sold and the circumstances involved are identical, or nearly identical, to those in the controlled sale). To the extent they are not identical, adjustments are made.

ii. Resale price method: If there are not comparable uncontrolled sales, the resale price method must be used if the standards for its application are met. A typical situation where this method is required is where a manufacturer sells products to a related distributor which, without further processing, resells the products to unrelated parties.

iii. Cost plus method: If the standards for application of the resale price method are not satisfied, either that method or the cost plus method is used, depending on which is more feasible and will produce a more accurate arm's length price. Normally, the cost plus method is appropriate where a manufacturer sells products to a related entity which performs substantial manufacturing, assembly, or other processing of the product or adds significant value by use of its intangible property (trademark, for example) before resale.

9. Under both the comparable uncontrolled price method and the resale price method, market conditions faced by the affiliate are taken into account. Thus, goods may be sold, for a period, at a price which is below the full cost of manufacture in order to establish or maintain a market.

i. Assuming that the requirements of one of the three methods in (a)8 are met, it must be used unless the taxpayer can show that some other method is clearly more appropriate. Where none of the three methods can reasonably be applied, some other appropriate method can be used.

ii. Where a taxpayer makes controlled sales of many different products or many sales of the same product and it is impractical to calculate an arm's length price for each product or sale, it is permissible to apply the proper method of pricing to product lines or other groupings. Also, the Division of Taxation may use statistical sampling techniques to verify or determine the arm's length price of all sales to a related entity.

10. The Division will apply equitable principles to prevent unjust situations from occurring.

(b) The application of this section is not limited to an agreement, understanding or arrangement existing between a taxpayer and any other corporation or any person or firm for the purpose of avoiding or evading tax under the Act. It is also applicable where adjustments and redeterminations relate to transfer pricing and other transactions between related persons or entities where evasion or tax avoidance are not a consideration. The Director may initiate adjustments under this section solely in the interests of determining a fair and reasonable tax, and without respect to any benefit arising out of inter-corporate relationships or the relationships of any person holding a substantial portion of the stock of a taxpayer. The Division shall not be limited to indices, trade practices, cost sheets, Internal Revenue Reports or any other factor in determining the appropriate transfer price for goods, services, intangibles or other dispositions made to related parties. Where the Director determines that there is an adjustment to net income under this section, he or she may also make a corresponding adjustment to the allocation factor.

(c) Where any taxpayer conducts its activity or business under any agreement, arrangement or understanding in such manner as either directly or indirectly to benefit its members or stockholders, or any person or persons directly or indirectly interested in such activity or business, by entering into any transaction at more or less than a fair price which, but for such agreement, arrangement or understanding, might have been paid or received therefor, the Director may adjust and redetermine items on any affected taxpayer report or return as may be necessary properly to reflect the taxpayer's adjusted entire net income apportionable to New Jersey. The following example is an illustration only and in no way shall be interpreted as a standard for calculating wages in a particular case.

**18:7-11.12 Extension of time to file return; interest and penalty**

(a) No extension will be granted unless request is made on Tentative Return Form CBT-200T and is actually received by the Division or postmarked on or before the due date of the return. The Tentative Return must:

1. Show the information required, including the exact name, address, New Jersey serial number, the Federal employer identification number, if any, and the amount of the estimated tax liability;
2. Be accompanied by a remittance to cover the unpaid balance of the estimated tax due for the accounting year for which an extension of time to file the return is requested; and
3. Be accompanied by the payment on account of its tentative tax which is due on or before the original due date for filing of the return for which an extension is requested.

(b) Taxpayers using the New Jersey Corporation Business Tax Return Form CBT-100 may request an extension for a period not exceeding six months and will receive automatic approval, provided that the taxpayer has complied with the instructions set forth on the Tentative Return Form CBT-200T, and has paid any unpaid balance of its estimated tax.

1. In general, extension requests shall not be granted for any period exceeding six months from the original due date.
2. Initial extensions will be confirmed in writing by the Division.
3. If the final return is not submitted within the extended period, penalties for delinquent filing will be applied as if no extension has been granted.

(c) Banking and financial corporations may request an extension of time to file return subject to the following conditions.

1. No extension will be granted unless request is actually received by the Division or postmarked on or before the due date of the return;
2. The extension shall be made on a copy of page 1 of Form BFC-1, including the exact name, address, New Jersey Serial number, if applicable, the Federal employer identification number, if any, and the amount of tentative tax liability.
3. Be accompanied by a remittance to cover the unpaid balance of the tentative tax due for the accounting year for which an extension of time to file the return is requested; and
4. Be accompanied by a completed copy of Schedule L from Form BFC-1, and a copy of the taxpayer's Federal extension request.

5. In general, extension requests shall not be granted for any period exceeding five months from the original due date.

6. Where the taxpayer has requested a Federal extension, the Division shall grant the taxpayer an extension for a period not exceeding five months. In cases where the taxpayer has failed to obtain a Federal extension, the taxpayer, upon request, may be granted a two month extension for filing the return if sufficient cause is submitted. Sufficient cause should be interpreted so that it is impossible or wholly impracticable to file a return within two months from the original due date of the return.

(d) Extensions may be confirmed in writing by the Division, if necessary.

(e) If the original return is not submitted within the extended period, penalty for delinquent filing will be applied as if no extension has been granted.

(f) Interest and penalty are chargeable as follows:

1. The total amount of the tax due must be paid on or before the original due date for filing the return.
2. Any unpaid portion of the tax on the final return which is in excess of the amounts paid shall bear interest at the rate of one and one-half percent per month, or fraction thereof from the original due date of the return to the date of actual payment or December 8, 1987. On and after December 9, 1987 the unpaid portion of the tax shall bear interest at the annual rate of five percentage points above the prime rate, compounded daily from the date the tax was originally due or December 9, 1987, whichever is later, to the date of actual payment. On and after July 1, 1993, the unpaid portion of the tax shall bear interest at the rate of three percentage points above the prime rate assessed for each month or fraction thereof, compounded annually at the end of each year from the date such tax was originally due to the date of actual payment.
3. In addition, if the amounts paid up to and including the time for filing of the tentative return total less than the lesser of 90 percent of the amount of tax due, or for a taxpayer that had a preceding fiscal or calendar accounting year of 12 months and filed a return for that year showing a tax liability equal to the tax computed at the rates applicable to the current accounting year applied to the facts shown on the return for and the law applicable to the preceding accounting year, the taxpayer shall be liable for a penalty of five percent per month, or fraction thereof, on the amount of underpayment. In this context, "filing of the return" means filing its tentative return incident to its request for extension, "the time for filing" means the original due date for filing the return, and "amount of underpayment" means the difference between 100 percent of the tax shown on the final return and the total of all installments of estimated tax paid on or before

the original due date for filing the return, as well as any amount paid with the tentative return.

(g) Where taxpayer makes an election on Federal form 8023, it will be granted an extension of time to file a corporation business tax return until the Federal election is filed, provided that a CBT-200T has been properly filed in accordance with these rules.

(h) Warning:

1. No request for extension will be considered unless taxpayer has complied with all the filing requirements for extensions set forth in the rule.

Amended by R.1970 d.121, effective October 5, 1970.

See: 2 N.J.R. 78(a), 2 N.J.R. 95(a).

Amended by R.1979 d.45, effective February 6, 1979.

See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).

Amended on an emergency basis, R.1981 d.163, effective May 11, 1981. Expired July 10, 1981, without reoption.

See: 13 N.J.R. 377(a).

Rule substantially amended to provide for the imposition of interest and penalties on Corporation Business Tax payments made during additional extended period for which an additional extension was granted.

As amended, R.1982 d.6, effective January 18, 1982.

See: 13 N.J.R. 688(a), 14 N.J.R. 105(d).

Section substantially amended.

Amended by R.1983 d.497, effective November 7, 1983.

See: 15 N.J.R. 1366(a), 15 N.J.R. 1872(c).

Text substantially amended.

Amended by R.1988 d.407, effective September 6, 1988.

See: 19 N.J.R. 2255(b), 20 N.J.R. 2310(c).

Added text to (f) "or December 8, 1987. On . . .".

Amended by R.1991 d.35, effective January 22, 1991.

See: 22 N.J.R. 2125(a), 23 N.J.R. 221(a).

Added (g), recodified old (g).

Amended by R.1994 d.186, effective April 18, 1994.

See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

**Statutory References**

See N.J.S.A. 54:10A-15 as to the requirement to file an annual return; 10A-17 as to penalties for late filing of returns; 10A-15 as to necessity of certification of taxpayer's return by an authorized corporate officer; 10A-19 as to extension of the due date and interest to be assessed during such extension period; and 49-6 as to right of Director to issue deficiency assessments or reassessments after final return is filed.

**18:7-11.13 Place for filing returns and payment of tax**

(a) The return together with remittance payable to "State of New Jersey" must be forwarded to the New Jersey Division of Taxation, CN666, Trenton, New Jersey 08646.

(b) A separate remittance is required to be made with each return.

Amended by R.1979 d.45, effective February 6, 1979.

See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).

**Statutory References**

See N.J.S.A. 54:10A-15, 18 as to manner and form of tax payment.

**18:7-11.14 Secrecy of returns**

The returns are deemed secret and confidential and New Jersey law prohibits the unauthorized disclosure of information obtained from the returns or the records pertaining thereto.

Amended by R.1979 d.45, effective February 6, 1979.

See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).

**Statutory References**

See N.J.S.A. 54:50-8 as to prohibition against Director or any employee of the Division of Taxation divulging, disclosing, or permitting another to inspect any records or files pertaining to the administration of the tax under the Act.

**18:7-11.15 Consolidated returns**

(a) Corporations are not permitted to file consolidated returns. Provided, however, any business conducted by an individual, partnership, or corporation or any other entity, or any combination thereof holding a license pursuant to the Casino Control Act shall file a consolidated corporation business tax return as described at N.J.A.C. 18:7-1.17.

(b) Except as provided in (a) above, where a taxpayer has filed a consolidated return with the Internal Revenue Service for Federal income tax purposes, it must complete its return under the act and must reflect its entire net income and entire net worth as if it had filed its Federal return on its own separate basis.

(c) A taxpayer under (b) above shall also file a copy of the Affiliations Schedule Form 851, which is filed with Form 1120 for Federal income tax purposes.

(d) For New Jersey purposes, a selling parent in a consolidated group may not exclude gain on the sale of target stock pursuant to a Federal election under IRC 338(h)(10). Each corporation is required to report income on a separate entity basis under N.J.A.C. 18:7-5.1(c).

(e) Where a target corporation recognizes gain as the result of an IRC 338(h)(10) election, the target reports and pays tax on such gain pursuant to N.J.A.C. 18:7-5.1(a).

Amended by R.1985 d.453, effective September 3, 1985.

See: 17 N.J.R. 901(a), 17 N.J.R. 2145(a).

Added text to (a): "Provided, however, any . . . at N.J.A.C. 18:7-1.17."

Amended by R.1991 d.35, effective January 22, 1991.

See: 22 N.J.R. 2125(a), 23 N.J.R. 221(a).

Added (d) and (e).

**Statutory References**

See N.J.S.A. 54:10A-2 as to requirement for annual payment of tax and 10A-14 as to right of Director to require copies of pertinent extracts of its Federal income tax return or other records if taxpayer has filed a consolidated Federal income tax return.

## Case Notes

Gain recognized by wholly owned subsidiary as result of parent corporation's federal tax law election to treat sale of subsidiary's stock as sale of subsidiary's assets, and to file consolidated tax return, was subject to tax under Corporation Business Tax Act. *General Bldg. Products Corp. v. Director, Div. of Taxation*, 15 N.J.Tax 213 (A.D. 1995).

Regulations were valid. *General Bldg. Products Corp. v. State, Div. of Taxation*, 14 N.J.Tax 232 (1994), affirmed 15 N.J. Tax 213.

State's prohibition against filing of consolidated income tax returns by related corporations does not immunize subsidiary corporation from state taxation of any gain realized as result of deemed sale of its assets. *General Bldg. Products Corp. v. State, Div. of Taxation*, 14 N.J.Tax 232 (1994) affirmed 15 N.J. Tax 213.

Taxpayer that separated from consolidated group was not required to file two short-term returns. *Drake Bakeries, Inc. v. Taxation Div. Director*, 12 N.J.Tax 172 (1991).

The term "books of the corporation" includes financial statements prepared in accordance with applicable regulations in the sense encompassed by the term "financial reporting"; definition of the term by rule not necessary due to adequate legislative standard; Director's equity method of accounting in valuation of corporation's investments and subsidiaries not demonstrated to be unfair. *Cities Service Co. v. Director, Div. of Taxation*, 5 N.J.Tax 257 (Tax Ct.1983).

**18:7-11.16 Return to be filed by an S Corporation**

(a) Except as may be provided otherwise by this Section, an S corporation, that is, one which has made an election under Section 1361 et seq. of the Internal Revenue Code of 1954 as amended and supplemented, must complete its New Jersey Corporation Business Tax Return on its own separate basis as though no election had been made under the Federal Statute.

(b) Except as may be provided otherwise by this section, in preparing its Corporation Business Tax Return the taxpayer cannot assume that ordinary income or loss (Federal taxable income) is equal to Federal taxable income before net operating loss deduction and special deductions for New Jersey Corporation Business Tax purposes, when the taxpayer has elected Federal S corporation treatment. Certain amounts not necessarily limited to I.R.C. Section 179 expenses, and 1120-S dividends that qualify for the dividend exclusion are not included as part of the S corporation's ordinary income (loss) computation, but rather are passed directly through to the shareholder on the Federal Form K-1 Schedule. For Corporation Business Tax purposes these amounts are included in the computation of entire net income, as if the corporation were a C corporation and no Federal S corporation election were made.

Example 1: S Corporation has 1985 taxable income for Federal tax purposes of \$100,000. However, not included in computation of such amount is a \$5,000 Federal I.R.C. Section 179 expense and \$10,000 of S Corporation dividends received from a different corporation which qualify for the Federal dividend exclusion. Barring any other difference between Federal taxable income and New Jersey taxable income per Schedule A, Form CBT-100, New Jersey taxable income before net operating loss deduction (NOL) and special deductions is computed as such:

\$100,000	Federal Taxable Income
(5,000)	I.R.C. Section 179 Expense
10,000	Qualifying S Corporation Dividends
\$105,000	New Jersey Taxable Income Before NOL and Special Deductions

Example 2: S Corporation is liquidating under I.R.C. Section 337. When disposing of its real property during the 12 month distribution period, the corporation recaptures for Federal tax purposes \$5,000 of I.R.C. Section 291 expenses which an S Corporation does not include as part of Federal taxable income if it were an S Corporation for the three preceding years before the Federal I.R.C. Section 337 election and the I.R.C. Section 1363(b) election. Since the S Corporation is treated as a C Corporation for State tax purposes, the I.R.C. Section 291 recapture is part of taxable income before net operating loss and special deductions on Schedule A, Form CBT-100.

(c) With respect to tax years beginning after July 7, 1993, S corporation status may be elected for New Jersey purposes by the shareholders of a Federal S corporation. The filing of an election form CBT-2553 with the Division to be recognized as a New Jersey S corporation is required. A New Jersey S corporation is entitled to pay its tax at a preferential rate as provided in N.J.S.A. 54:10A-5(c)(2) and (3) and to report and pay its tax liability on Form CBT-100S.

Amended by R.1979 d.45, effective February 6, 1979.

See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).

Amended by R.1986 d.464, effective November 17, 1986.

See: 18 N.J.R. 1686(b), 18 N.J.R. 2332(a).

(b) added.

Amended by R.1994 d.186, effective April 18, 1994.

See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

## Statutory References

See N.J.S.A. 54:10A-2 as to requirement for annual filing of return under this Act despite other arrangements for filing a Federal return.

## Case Notes

Foreign S corporation's distribution to New Jersey taxpayer would be treated as if received from accumulated earnings. *Laurite v. Director, Div. of Taxation*, 12 N.J.Tax 483 (1992), affirmed 14 N.J.Tax 166, certification denied 639 A.2d 301, 135 N.J. 301.

Absent other evidence, distribution from foreign S corporation to New Jersey taxpayer would be treated as from accumulated earnings. *Laurite v. Director, Div. of Taxation*, 12 N.J.Tax 483 (1992), affirmed 14 N.J.Tax 166, certification denied 639 A.2d 301, 135 N.J. 301.

Pass-through losses and gains are to be excluded when calculating net gains and losses. *Walsh v. State, Dept. of the Treasury, Div. of Taxation*, 10 N.J. Tax 447 (1989), affirmed and remanded 240 N.J.Super. 42, 572 A.2d 222.

**18:7-11.17 Copies of tax returns or other information required**

(a) The Director may by general rule or by special notice require any taxpayer to submit copies or pertinent extracts of its Federal income tax returns, or of any other tax return made to any agency of the Federal Government, or of this

or any other state, or of any statement or registration made pursuant to any state or Federal law pertaining to securities or securities exchange regulation.

(b) The Director may require all taxpayers to keep whatever records he may prescribe, and he may require the production of books, papers, documents and other data, to provide or secure information pertinent to the determination of the tax and its enforcement and collection.

(c) The Director may, also by general rule or special notice, require any taxpayer to make and file information returns, under oath, of facts pertinent to the determination of the tax or liability for tax pursuant to such regulations, at whatever times and in whatever form or manner and to whatever extent he may prescribe under law.

#### Statutory References

See N.J.S.A. 54:10A-14 as to right of the Director to require taxpayer to submit pertinent extracts for its Federal income tax return, other returns to government agencies, or other records.

#### 18:7-11.18 Reproduction of forms

(a) Subject to conditions and requirements of this section, the Director will accept for filing purposes reproductions of the New Jersey Corporation Business Tax Return Forms CBT-100, CBT-100-X, and CBT-200T in lieu of the official forms printed and furnished by the Director. Anyone contemplating the use of reproduced forms is cautioned to observe that the conditions herein stated may vary from the Federal regulations relating to reproduction of Federal tax forms.

(b) In order to be acceptable for filing purposes, reproduction of Forms CBT-100, CBT-100-X, and CBT-200T must meet the following conditions and requirements:

1. Reproductions must be facsimiles of the complete official form, produced by photo-offset, photo-engraving, photo-copying or other similar reproduction processes;
2. Reproductions must be on paper of substantially the same color, weight and texture and of a quality at least as good as that used in the official form;
3. Reproductions must be of the same size as that of the official form, both as to overall dimensions of the paper and the imagery produced;
4. Format of pages shall adhere to following:
  - i. It is preferable that both sides of the paper be used in making reproductions. However, reproduction on one side will be acceptable.
  - ii. All reproductions must result in the same page arrangement as that of the official form and the spacing of the printed matter on each individual page and the fold must be the same as on the official form.
  - iii. Separate pages must be fastened together in numerical order.

iv. Each separate page must be clearly identified, by listing at the top of the page the corporate name and New Jersey serial number.

5. The color and quality of the reproduction of the printed matter must be substantially the same as that of the official form, and the filled-in information must be entirely legible;

6. The taxpayer's full and correct name and address and identifying serial number as it appears on the pre-stenciled form furnished by the Director must be typed or printed on the reproduction;

7. All filled-in information on Page 1 of the Return must be typed or printed;

8. Reproductions of forms may be made after insertion of the tax computations and the other required information;

9. All signatures on forms to be filed must be original signatures, affixed subsequent to the reproduction process;

10. The Director does not undertake to approve or disapprove the specific equipment or process in reproducing official forms, but requires only that the reproduced forms satisfy the stated conditions. It should be noted, however, that photostats do not meet all the above conditions;

11. The Director does not undertake to approve or disapprove the specific writing medium or style of writing to be used, but requires that the filled-in information on the reproduced form be of good quality black-on-white with hand writing of satisfactory legibility.

Amended by R.1979 d.45, effective February 6, 1979.  
See: 11 N.J.R. 40(d), 11 N.J.R. 150(b).  
Amended by R.1994 d.186, effective April 18, 1994.  
See: 26 N.J.R. 761(a), 26 N.J.R. 1696(b).

#### Statutory References

See N.J.S.A. 54:10A-18 as to authority of Director to design tax return forms and determine the information to be required thereon.

#### 18:7-11.19 through 18:7-11.21 (Reserved)

### SUBCHAPTER 12. SHORT PERIOD RETURN

#### 18:7-12.1 Short period returns; when required

(a) In general, every corporation must file a return for each fiscal or calendar accounting period or part thereof during which it has or had a taxable status in New Jersey. In certain cases, the taxpayer will be required to file a return covering an accounting period of less than 12 months. This may necessitate an adjustment of entire net income.

(b) Some of the circumstances which require the filing of short period returns are: