

Income/Franchise:

New Jersey: Updated Memos Reflect New Law that Sunsets Related Member Expense Disallowance Provisions

Technical Advisory Memorandum TAM 2011-13R, N.J. Div. of Tax. (rev. 7/25/23); *Technical Advisory Memorandum TAM 2011-22(R)*, N.J. Div. of Tax. (rev. 7/25/23); *Technical Advisory Memorandum TAM 2011-6(R)*, N.J. Div. of Tax. (rev. 7/25/23). The New Jersey Division of Taxation (Division) recently posted some updated technical advisory memoranda, two of which reflect recently enacted legislation that sunsets New Jersey's related member interest and intangible expense disallowance provisions under the state corporation business tax (CBT) for privilege periods ending on or after July 31, 2023 [see A.B. 5323 (2023) and previously issued Multistate Tax Alert for more details on these recent law changes]. Another updated technical advisory memorandum addressing foreign corporations subject to the CBT states that the Division "intends on providing additional examples and further guidance in subsequent regulatory proposals." Please contact us with any questions.

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tams/tam13.pdf>

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tams/tam22.pdf>

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tams/tam6.pdf>

URL: <https://www.njleg.state.nj.us/bill-search/2022/A5323>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-new-jersey-enacts-changes-to-corporation-tax-laws.pdf>

— Norm Lobins (Cleveland)
Managing Director
Deloitte Tax LLP
nlobins@deloitte.com

Kevin Friedhoff (Morristown)
Senior Manager
Deloitte Tax LLP
kfriedhoff@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.