

## Income/Franchise:

### **New Jersey: Updated IRC § 163(j) Bulletin Reflects New Law that Sunsets Related Member Expense Disallowance Provisions**

*Tax Bulletin No. TB-87(R): Guidance for Corporation Business Tax Filers on the IRC § 163(j) Limitation*, N.J. Div. of Tax. (rev. 8/22/23). The New Jersey Division of Taxation (Division) posted an updated tax bulletin reflecting 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 and after July 31, 2023 [see A.B. 5323 (2023) and previously issued Multistate Tax Alert for more details on these recent law changes]. According to the Division, the law changes repealed the related party addbacks but were otherwise "in-line" with how the Division had been treating Internal Revenue Code section 163(j), and they do not change the way it is reported on New Jersey returns. Please contact us with any questions.

**URL:** <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb87.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>

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