

Income/Franchise:

New Jersey: Updated Bulletin Reflects New Law that Defines Combined Group and Moves to Finnigan Method

Technical Bulletin TB-100(R): The Combined Group as a Taxpayer under the Corporation Business Tax Act, N.J. Div. of Tax. (rev. 8/22/23). The New Jersey Division of Taxation (Division) posted an updated technical bulletin addressing how recently enacted legislation makes it clear that a combined group is a “taxpayer” for New Jersey corporation business tax (CBT) purposes, as well as moves from a “Joyce” to “Finnigan” approach to combined reporting 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 New Jersey tax law changes]. The bulletin provides that for privilege periods ending on and after July 31, 2023, regardless of the filing method, “a combined group is a taxpayer and taxed as one taxpayer pursuant to N.J.S.A. 54:10A-4(h); N.J.S.A. 54:10A-4(z); and for purposes of N.J.S.A. 54:10A-4.7.e, New Jersey follows the Finnigan method for sourcing receipts.” The Division also states that it is in the process of drafting regulations addressing the topics covered by this bulletin. Please contact us with any questions.

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb100.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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