

## Income/Franchise:

### New Jersey: New and Updated Bulletins Reflect CBT Law Changes Involving Nexus and Combined Reporting

*Tax Bulletin No. TB-108: Nexus for Corporation Business Tax for Privilege Periods Ending on and after July 31, 2023*, N.J. Div. of Tax. (9/5/23); *Tax Bulletin No. TB-79 (R): Nexus for Corporation Business Tax for Privilege Periods Ending Before July 31, 2023*, N.J. Div. of Tax. (rev. 9/5/23); *Tax Bulletin No. TB-109: Combined Group Filing Methods for Privilege Periods Ending on and After July 31, 2023*, N.J. Div. of Tax. (9/5/23); *Tax Bulletin No. TB-89(R): Combined Group Filing Methods for Privilege Periods Ending Before July 31, 2023*, N.J. Div. of Tax. (rev. 9/5/23). The New Jersey Division of Taxation (Division) posted new and updated bulletins reflecting recently enacted legislation that made significant changes to New Jersey's 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]. One new bulletin addresses New Jersey's bright-line economic nexus standard and provides general guidelines for determining whether the activities of a corporation create nexus with New Jersey for CBT purposes for privilege periods ending on and after July 31, 2023. An accompanying revised bulletin includes links to this new bulletin "for information on the updated nexus standards established under P.L. 2023, c. 96, as well as the updated P.L. 86-272 guidelines established by the Multistate Tax Commission as adopted by the Division that went onto effect for privilege periods ending on and after July 31, 2023," and provides general guidelines for determining whether the activities of a corporation create nexus with New Jersey for CBT purposes for privilege periods ending *before* July 31, 2023. Another new bulletin discusses the CBT combined reporting allocation method, income reporting, and filing methods effective for privilege periods ending on and after July 31, 2023 – including a one-time exception to prospectively allow a change to the combined group's filing method on the 2023 New Jersey Form CBT-100U. The new bulletin also discusses the impact of treaties on non-US corporations, as well as potential for penalty relief in certain situations. An accompanying revised bulletin links to this new bulletin and discusses the combined group filing methods and allocation methods for privilege periods ending *before* July 31, 2023. Please contact us with any questions.

**URL:** <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb108.pdf>

**URL:** <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb79r.pdf>

**URL:** <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb109.pdf>

**URL:** <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb89.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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