

Income/Franchise:

New Jersey: New and Updated Bulletins Reflect CBT Law Changes Involving GILTI, FDII, and Combined Reporting

Tax Bulletin No. TB-110: Corporation Business Tax GILTI Treatment for Privilege Periods Ending on and After July 30, 2023, N.J. Div. of Tax. (9/12/23); *Tax Bulletin No. TB-92(R): SOURCING IRC §951A (GILTI) and IRC §250 (FDII) for Privilege Periods Ending Before July 31, 2023*, N.J. Div. of Tax. (rev. 9/12/23); *Tax Bulletin No. TB-88(R): Combined Groups: Exclusion of Double Inclusion of GILTI and Treatment of Related Party Addbacks for Privilege Periods Ending Before July 31, 2023*, N.J. Div. of Tax. (rev. 9/12/23). 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 the CBT changes to the treatment of global intangible low-taxed income (GILTI), the Internal Revenue Code (IRC) section 250(a) deduction and foreign-derived intangible income (FDII), including the increase in New Jersey's net GILTI deduction to 95% by treating GILTI as a dividend for privilege periods ending on and after July 31, 2023. An accompanying revised bulletin includes a link to this new bulletin and discusses the application of IRC section 951A and IRC section 250 enacted as part of the federal Tax Cuts and Jobs Act to the CBT for privilege periods ending *before* July 31, 2023. Another accompanying revised bulletin includes a link to the new bulletin and discusses IRC section 951A, IRC section 250, and CBT law in the context of New Jersey combined returns 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/tb110.pdf>

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb92.pdf>

URL: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb88.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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