



State of New Jersey  
Division of Taxation

---

# 2014 New Jersey Tax Updates

Jacob Foy  
Alexis DeRosa  
Joyce Olshansky

---

---

---

---

---

---

---

---



## 2014 NJ Tax Updates

- Administrative Updates
- Tax Law Updates
- Property Tax Relief Programs
- Projects and Notices

---

---

---

---

---

---

---

---



## System Modernization

- Current Timeline
  - Vendor Demonstrations
  - Request for Information – Potential Vendors
- Implementation to Begin Tax Year 2015
  - Clean Up Existing System
  - Implement Two Tax Types at a Time

---

---

---

---

---

---

---

---



## Identity Theft Program

- Identity Theft Program
  - Notify the IRS and Division of Taxation
  - Refer to Web Page for Guidance
- Following Federal Format
  - Form NJ-IDT-100

[www.njtaxtaion.org](http://www.njtaxtaion.org)

---

---

---

---

---

---

---

---



## Form Availability

- Only Available on the Web
  - NJ-1041
  - NJ-1065
- NJ-1041 – Still Filed by Mail

---

---

---

---

---

---

---

---



## E-File Mandate

- Individual Returns
  - 11 or More Income Tax Returns
- New Procedures for 2014 Income Tax Filings
  - NJ-1040-O – Include with Return
  - New Fill in Oval
- Partnership Filings
  - Subject to Partnership Filing Fee
  - Non-Resident Partner

---

---

---

---

---

---

---

---



## Plain Language Initiative

- New Clear Language Notices in Production
- New Division Unit
  - Webpages
  - Publications
  - Instructions

---

---

---

---

---

---

---

---



## Partnership Assessments & Refunds

N.J.S.A. 54A:9-8. Limitations on credit or refund.

- Partnership with filing fee &/or nonresident non-corporate partner tax
  - 3 years
- Partnership with non-resident corporate partner tax
  - 4 years
- Partnership with filing fee, non-resident non-corporate tax and non-resident corporate partner tax
  - 4 years

---

---

---

---

---

---

---

---



State of New Jersey  
Division of Taxation

## Tax Law Updates

---

---

---

---

---

---

---

---



### Sales Tax: Click-Through Nexus

Out of State Sellers who:

- Use NJ-Based Referral Agent
  
  - Realize sales through "clicks" from NJ-Based Referral Agent's website
- and
- Total sales from 'click-through' Exceed \$10,000
    - over the previous 4 quarters

---

---

---

---

---

---

---

---



### Corporation Business Tax

New Definition of Operational Income

- For periods on and after June 30, 2014
  
- Operational Income subject to allocation to New Jersey as income from tangible and intangible property if the:
  - Acquisition; or
  - Management; or
  - Disposition
  
- Constitute integral parts of regular trade or business

---

---

---

---

---

---

---

---



### CBT Single Sales Factor

- 3 Year Phase-In – began in 2012
  
- Privilege periods beginning Jan 1, 2014 – 100% Sales
  
- Effects Partnership Allocation Factor – Schedule J

---

---

---

---

---

---

---

---



State of New Jersey  
Division of Taxation

---

## Property Tax Relief

---

---

---

---

---

---

---

---



### Homestead Benefit

- Applied Directly to Property Tax Bill
  - 2014 Payment Delayed to 2015
- Eligibility
  - Owned/Occupied a Residence on 10/1
  - Gross Income
    - \$150,000 – 65/Over or Dis

---

---

---

---

---

---

---

---



### Property Tax Reimbursement

- Income Guidelines for 2013
  - 2012 Income - \$82,880
  - 2013 Income - \$70,000 (reduced by the budget)
- Includes Most Gross Income Categories
  - Social Security
  - Unemployment
  - NJ Lottery Winnings
- Deadline Extended to 9/15/14

---

---

---

---

---

---

---

---



State of New Jersey  
Division of Taxation

---

## Projects & Notices

---

---

---

---

---

---

---

---



### NJ-1040 Non-Filer

- Looking at Tax Years 2009-2011
- Identifying Delinquencies
- \$100 per Month Delinquency Penalty
- File Return and/or pay or respond with justification

---

---

---

---

---

---

---

---



### Pension Project

- Tax Return Matching
  - IRS Data
- Why the Difference?
  - Calculation Method
  - Rollover
  - Contribution Treatment
- NJ-1040, Line 19b – Excludable Pension Income
  - Think Contributions
  - Not Tax Exempt

---

---

---

---

---

---

---

---



## Corporation Business Tax Delinquencies

- New Jersey Requires CBT filings from ALL Corps:
  - Formed in NJ
  - Authorized in NJ
  - With a Filing History in NJ
- Until the Corporation Dissolves/Withdraws
  - Dissolution Before Commencing Business
  - Dissolution Without Assets
  - Foreign Corps: Must Withdraw or Prove Dissolution in Home State

---

---

---

---

---

---

---

---