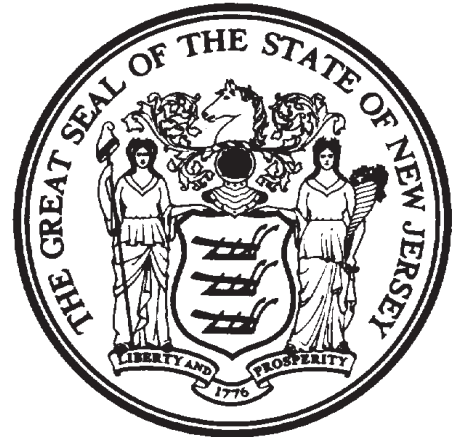


# NEW JERSEY CORPORATION BUSINESS TAX



P.L. 2018, c. 48, signed into law on July 1, 2018, and P.L. 2018, c. 131, signed into law on October 4, 2018, made changes to the Corporation Business Tax Act. Several of the changes are retroactive to tax years beginning on and after January 1, 2017. Businesses affected by the changes below must amend their 2017 Form CBT-100 or Form BFC-1 by filing Form CBT-DIV 2017 Supplemental.

- The law decoupled New Jersey from the deduction and exemptions permitted under IRC section 965 for tax years beginning on and after January 1, 2017 (N.J.S.A. 54:10A-6.5).
- The dividend exclusion was reduced for taxpayers receiving dividends from an 80% or greater owned subsidiary. The exclusion was reduced from 100% to 95% of the dividends included in federal taxable income. However, the law now permits an exclusion of dividends by a taxpayer if the taxpayer's subsidiary received those same dividends from other lower-tiered subsidiaries that filed and paid tax to New Jersey in the same tax year.
- A special allocation was created to provide factor relief. Taxpayers can use a special allocation formula that is the lesser of the three-year average 2014 through 2016 allocation factor or 3.5% for calculating the tax on dividends and deemed dividends received by a taxpayer from a subsidiary for tax years beginning on and after January 1, 2017, and beginning before January 1, 2019.

**File by January 31, 2019, or within 30 days  
of an extension, whichever is later**

# CBT-DIV 2017 Supplemental

Type or print the requested information. FEDERAL EMPLOYER I.D. NUMBER	State and date of incorporation _____				
CORPORATION NAME	Date authorized to do business in New Jersey _____				
MAILING ADDRESS	Federal business activity code _____				
CITY STATE ZIP CODE	Corporation books are in the care of _____ at _____				
Original return: <input type="checkbox"/> CBT-100 <input type="checkbox"/> BFC-1	Telephone Number (_____) _____				
<b>DIVISION USE</b>					
	<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; border: none;">RP</td> <td style="width: 25%; border: none;">NP</td> <td style="width: 25%; border: none;">A</td> <td style="width: 25%; border: none;">R</td> </tr> </table>	RP	NP	A	R
RP	NP	A	R		

1. Entire net income from Schedule A, line 39 (if a net loss, enter zero).....	1.											
2. Allocation factor from Schedule J, Non-allocating taxpayers enter 1.000000 .....	2.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">.</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	.									
.												
3. a) Allocated net income – Multiply line 1 by line 2 (Non-allocating taxpayers must enter amount from line 1) ..	3a.											
b) Allocated dividend income from certain subsidiaries (See Schedule R in this booklet) .....	3b.											
c) Total Allocated Net Income – Add lines 3a and 3b .....	3c.											
4. a) Total nonoperational income \$ _____ from Schedule O, Part I	4b.											
b) Allocated New Jersey nonoperational income from Schedule O, Part III.....	4b.											
5. Total operational and nonoperational income – Add lines 3c and 4b .....	5.											
6. Investment Company – Enter 40% of the total of line 1 plus line 3b .....	6.											
7. Tax Base – Enter amount from line 5 or line 6 plus line 4b, whichever is applicable.....	7.											
8. Amount of Tax – Multiply line 7 by the applicable tax rate.....	8.											
9. Tax Credits from Schedule A-3, line 24 (see instruction in this booklet) .....	9.											
10. REVISED CBT TAX LIABILITY – Subtract line 9 from line 8.....	10.											
11. Tax Reported on 2017 original return .....	11.											
12. CBT-100 or BFC-1 tax – Subtract line 11 from line 10 .....	12.											
13. a) If line 12 is greater than zero, enter the amount here. This is the amount of tax you owe. Payments must be made electronically.....	13a.											
b) If line 12 is less than zero, enter the amount here. This amount that will be credited to 2018.....	13b.											
c) If line 12 is zero, enter zero here. You must submit this return even if the result is zero .....	13c.											

<b>SIGNATURE AND VERIFICATION</b> (See Instruction 14)	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules, forms, and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.		
	(Date)	(Signature of Duly Authorized Officer of Taxpayer)	(Title)
	(Date)	(Signature of Individual Preparing Return)	(Address) (Preparer's ID Number)
	(Name of Tax Preparer's Employer)	(Address)	(Employer's ID Number)

Refer to instruction booklet for Form CBT-100 or Form BFC-1 for information on any of the line entries above line 9.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
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## Schedule A

### COMPUTATION OF ENTIRE NET INCOME EVERY CORPORATION MUST COMPLETE LINES 1-39 OF THIS SCHEDULE.

1. Gross receipts or sales _____ Less returns and allowances _____ .....	1.	
2. Less: Cost of goods sold (from Schedule A-2, line 8) .....	2.	
3. Gross profit – Subtrline 2 from line 1 .....	3.	
4. Dividends.....	4.	
5. Interest.....	5.	
6. Gross rents.....	6.	
7. Gross royalties.....	7.	
8. Capital gain net income (attach separate federal Schedule D).....	8.	
9. Net gain or (loss) (from federal Form 4797, attach a copy) .....	9.	
10. Other income (attach schedule).....	10.	
11. TOTAL INCOME – Add lines 3 through 10 .....	11.	
12. Compensation of officers (from Schedule F) .....	12.	
13. Salaries and wages _____ Less jobs credit _____ Balance .....	13.	
14. Repairs (Do not include capital expenditures) .....	14.	
15. Bad debts .....	15.	
16. Rents .....	16.	
17. Taxes .....	17.	
18. Interest.....	18.	
19. Contributions .....	19.	
20a. Depreciation (from federal Form 4562, attach a copy) .....	20a.	
20b. Less depreciation claimed in Schedule A and elsewhere on return .	20b.	20c.
21. Depletion .....	21.	
22. Advertising.....	22.	
23. Pension, profit-sharing plans, etc .....	23.	
24. Employee benefit programs.....	24.	
25. IRC Section 199 Domestic production activities deduction .....	25.	
26. Other deductions (attach schedule).....	26.	
27. TOTAL DEDUCTIONS - Add lines 12 through 26.....	27.	
28. Taxable income before net operating loss deductions and special deductions – Subtract line 27 from line 11 (Must agree with line 28, page 1 of the Unconsolidated federal Form 1120, or appropriate line from forms 1120-IC-DISC, 1120-FSC, or 1120-A, whichever is applicable) .....	28.	
<b>NEW JERSEY ADJUSTMENT – LINES 29-39 MUST BE COMPLETED ON THIS FORM</b>		
29. Interest on federal, state, municipal, and other obligations not included in line 5 above .....	29.	
30. Related interest addback (from Schedule G, Part I) .....	30.	
31. New Jersey State and other states taxes deducted above .....	31.	
32. Depreciation and other adjustments (from Schedule S) .....	32.	
33. (a) Deduction for IRC Section 78 Gross-up not deducted at line 37 below (do not incl. dividends)	33a.	
(b)(1) <b>Enter the net IRC 965 amounts here (and include the IRC 965(a) amounts on Schedule P and Schedule R)</b> .....	33b1.	
(b)(2) Other deductions and additions. Explain on separate rider .....	33b2.	
(c) Elimination of nonoperational activity (from Schedule O, Part I).....	33c.	
(d) Interest and intangible expenses and costs addback (from Schedule G, Part II) .....	33d.	
(e) Add back IRC Section 965 deductions and exemptions.....	33e.	
34. Entire net income before net operating loss deduction and dividend exclusion – Total lines 28 through 33 inclusive .....	34.	
35. Net Operating Loss Deduction (from Form 500, line 9) .....	35.	
36. Entire Net Income before the dividend exclusion – Subtract line 35 from line 34 .....	36.	
37. Dividend Exclusion (from Schedule R) (see instructions for Schedule R in this booklet).....	37.	
38. I.B.F. Exclusion (BFC-1 filers, enter amount originally reported/CBT-100 filers, enter zero).....	38.	
39. ENTIRE NET INCOME – Subtract line 37 and 38 from line 36. Include here and on page 1, line 1 (ONLY if amount is more than zero).....	39.	

Refer to instruction booklet for Form CBT-100 or Form BFC-1 for information on lines 1-32.

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
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**Schedule A-3                      SUMMARY OF TAX CREDITS**

1. Angel Investor Tax Credit from Form 321 .....	1.	
2. Grow NJ Tax Credit from Form 320 .....	2.	
3. Wind Energy Facility from Form 322 .....	3.	
4. Urban Transit Hub Tax Credit from Form 319.....	4.	
5. Business Retention and Relocation Tax Credit from Form 316.....	5.	
6. Neighborhood Revitalization State Tax Credit from Form 311.....	6.	
7. Film Production Tax Credit from Form 318.....	7.	
8. Sheltered Workshop Tax Credit from Form 317 .....	8.	
9. AMA Tax Credit from Form 315 .....	9.	
10. Economic Recovery Tax Credit from Form 313.....	10.	
11. Effluent Equipment Tax Credit from Form 312 .....	11.	
12. HMO Assistance Fund Tax Credit from Form 310 .....	12.	
13. Small New Jersey-Based High-Technology Business Investment Tax Credit from Form 308..	13.	
14. New Jobs Investment Tax Credit from Form 304 .....	14.	
15. Manufacturing Equipment and Employment Investment Tax Credit from Form 305 .....	15.	
16. Research and Development Tax Credit from Form 306 .....	16.	
17. Recycling Equipment Tax Credit from Form 303.....	17.	
18. Redevelopment Authority Project Tax Credit from Form 302 .....	18.	
19. EITHER: a) Urban Enterprise Zone Employee Tax Credit from Form 300 .....	19.	
OR b) Urban Enterprise Zone Investment Tax Credit from Form 301.....		
20. Residential Economic Redevelopment and Growth Tax Credit from Form 323 .....	20.	
21. Business Employment Incentive Program Tax Credit from Form 324 .....	21.	
22. Public Infrastructure Tax Credit from Form 325.....	22.	
23. Other Tax Credit .....	23.	
24. Total tax credits taken on this return – Add lines 1 through 23. Include here and on page 1, line 9.....	24.	

NAME AS SHOWN ON RETURN	FEDERAL ID NUMBER
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**Schedule P**

**SUBSIDIARY INVESTMENT ANALYSIS**

**NOTE:** Taxpayers must hold 80% of the combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends, for each subsidiary. Do not include advances to subsidiaries in book value.

**PART I DOMESTIC SUBSIDIARY**

Federal ID Number	(1) Name of Subsidiary	(2) Percentage of Interest		(3) Book Value (as reported in Sch. B)	(4) Domestic Dividend Income (as reported on Schedule A)
		(a) Voting	(b) Non-Voting		
Totals.....					

**PART II FOREIGN SUBSIDIARY**

Federal ID Number	(1) Name of Subsidiary	(2) Percentage of Interest		(3) Book Value (as reported in Sch. B)	(4) Foreign Dividend Income (as reported on Schedule A)
		(a) Voting	(b) Non-Voting		
Totals.....					

**PART III TOTAL OF 80% OR MORE OWNED SUBSIDIARY DIVIDENDS**

1. Enter total from Part I, Column 4.....	1.
2. Enter total from Part II, Column 4.....	2.
3. Total dividends. Add lines 1 and 2 (include here and on Schedule R).....	3.

**NOTE:** Include deemed and/or paid dividends.



NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

**Schedule RT**

**ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION (See instructions in this booklet)**

**PART I – FOR 80% OR GREATER OWNED SUBSIDIARY WHICH DIVIDEND IS SUBJECT TO 95% EXCLUSION ON SUBSIDIARY’S TAX RETURN**

(1) Upper Subsidiary's Information		(2) Dividends Received from Lower Tier Subsidiaries		(3) Upper Subsidiary's		(4) Parent's Allocation	(5) Excludable Amounts Use EITHER Col. A or Col. B for each row		
(a) Name	(b) Federal ID Number	(a) Dividends Received by Parent	(b) Dividends Not Excluded from Upper Subsidiary's Entire Net Income Before Dividend Exclusion	(a) Tax Paid by Subsidiary If an individual row is \$2,000* or less, enter 0 in Column 5 of that row	(b) Special Allocation Factor Used by Subsidiary	Enter allocation factor from Section A, line 2 of Schedule R, Part II	(a) If Col. 3(b) is <i>greater than or equal to</i> Col. 4, enter amount from Column 2(b)	(b) If Col. 3(b) is <i>less than</i> Col. 4, multiply Col. 2(b) by Col. 3(b) by 5% (.05)	
1. Enter the Total of Column 5(a) (include here and on line 1, Part III) .....									
2. Enter the Total of Column 5(b) (include here and on Schedule R) .....									

**PART II – ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION FROM SUBSIDIARY WHICH DIVIDEND IS SUBJECT TO 50% OR 0% DIVIDEND EXCLUSION ON UPPER TIER SUBSIDIARY’S TAX RETURN**

Upper Subsidiary's Information		Dividends Received from Lower Tier Subsidiaries		
(1) Name	(2) Federal ID Number	(3) Dividends Received by Parent	(4) Tax Paid by Subsidiary If an individual row is \$2,000* or less, enter 0 in Columns 5 of that row.	(5) Dividends Not Excluded from Upper Subsidiary's Entire Net Income Before Dividend Exclusion
1. Total (included here and on line 2, Part III) .....				

**PART III TOTAL ALLOCATED TIERED SUBSIDIARY DIVIDEND EXCLUSION**

1. Enter amount from Part I, line 1 .....	1.	
2. Enter amount from Part II, line 1 .....	2.	
3. Add lines 1 and 2 (include here and on Schedule R).....	3.	

\*The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits.

NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

**FORM 500**

**COMPUTATION OF THE 2017 NOL DEDUCTION**

Return period beginning \_\_\_\_\_, and ending \_\_\_\_\_

**READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM**

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

7. Total of the amounts reported on line 6\* ..... 7. \_\_\_\_\_
8. Enter the current period's entire net income..... 8. \_\_\_\_\_
9. Current period's NOL deduction – enter the lesser of line 7 or line 8 here and on Schedule A, line 35 of the CBT-DIV-2017 Supplemental..... 9. \_\_\_\_\_

\* Include amounts reported on line 6 from any additional pages attached.



NAME AS SHOWN ON RETURN

FEDERAL ID NUMBER

**FORM 500**

**COMPUTATION OF THE 2017 NOL DEDUCTION**

Return period beginning \_\_\_\_\_, and ending \_\_\_\_\_

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Amount excluded from Federal taxable income				
6. Current period NOL available - line 2 minus line 3 minus line 4 minus line 5				

# CBT-DIV 2017 Supplemental Instructions

Use this form to report changes resulting from P.L. 2018, c. 48 and P.L. 2018, c. 131, in lieu of filing an amended 2017 Form CBT-100 or Form BFC-1. Be sure to read all of the instructions before completing this return.

## Who Must File

Taxpayers who filed Form CBT-100 or BFC-1 for tax year (privilege period) 2017 and need to account for the changes resulting from P.L. 2018, c. 48 and P.L. 2018, c. 131, must file Form CBT-DIV 2017 Supplemental. This includes corporations that:

- Received dividends or deemed dividends from an 80% or more owned subsidiary; or
- Reported I.R.C. §965(a) deemed dividends for Federal income tax purposes; or
- Reported I.R.C. §965(c) deduction amounts.

Corporations that didn't have I.R.C. §965 income, exclusions, or deductions, and/or that didn't have tiered subsidiary(s), and/or that didn't take a 100% dividend exclusion on their 2017 return are not required to file the Form CBT-DIV 2017 Supplemental.

In addition, the following corporations do not need to file:

- New Jersey S corporations and real estate investment trusts (as defined in N.J.S.A. 54:10A-4(p) and N.J.S.A. 54:10A-4(l), respectively; and
- Foreign corporations that claimed their income was immune from tax pursuant to Public Law 86-272, 15 U.S.C. §381 et seq., and that completed Schedule N with their originally filed return.

## When to File

File on or before January 31, 2019. If your original return is being filed under extension, Form CBT-DIV 2017 Supplemental is due within 30 days of that filing (or by January 31, 2019, whichever is later). Form CBT-DIV 2017 Supplemental can only be submitted **after** you have filed your original return.

Taxpayers who have already filed Form CBT-DIV 2017 and **want** to file Form CBT-DIV 2017 Supplemental can do so. Penalties or interest will not be assessed as long as the tax due is paid by January 31, 2019, or the extended due date.

Taxpayers who already filed Form CBT-DIV 2017 and **do not** want to file Form CBT-DIV 2017 Supplemental do not need to do so. Penalties and interest will not be assessed as long as the taxpayer already filed and paid the tax. If there are any issues with the CBT-DIV 2017 filing, Division personnel will contact you.

## Where to Mail the Return

Mail Form CBT-DIV 2017 Supplemental and **all** supporting schedules and forms to:

New Jersey Division of Taxation  
Director's Office  
PO Box 240  
Trenton, NJ 08695-0240

## Tax Computation

Form CBT-DIV 2017 Supplemental is used to report the changes enacted to the Corporation Business Tax Act.

Enter all of the information requested on the top portion of the return.

### Line 1 – Entire Net Income

If Schedule A, line 39 is greater than zero, enter the amount. Otherwise, enter zero.

### Line 1 – Line 7

Use the amounts originally reported on the 2017 Form CBT-100 or Form BFC-1. You must attach a copy of the return that was originally filed.

### Line 8 – Tax Rates

For taxpayers, including Investment Companies, with Entire Net Income (Page 1, lines 1 and 4(b)) greater than \$100,000, the tax rate is 9% (.09)

on adjusted entire net income or such portion thereof as may be allocable to New Jersey.

For taxpayers, including Investment Companies, with Entire Net Income (Page 1, lines 1 and 4(b)) greater than \$50,000 and less than or equal to \$100,000, the tax rate is 7.5% (.075) on adjusted entire net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 7.5% rate if the prorated entire net income does not exceed \$8,333 per month.

For taxpayers with Entire Net Income (page 1, lines 1 and 4(b)) of \$50,000 or less, the tax rate is 6.5% (.065) on adjusted net income or such portion thereof as may be allocable to New Jersey. Tax periods of less than 12 months qualify for the 6.5% rate if the prorated entire net income does not exceed \$4,166 per month.

**Minimum Tax:** The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	Minimum Tax
Less than \$100,000	\$500
\$100,000 or more but less than \$250,000	\$750
\$250,000 or more but less than \$500,000	\$1,000
\$500,000 or more but less than \$1,000,000	\$1,500
\$1,000,000 or more	\$2,000

If a taxpayer is a member of an affiliated or controlled group (as per sections 1504 or 1563 of the Internal Revenue Code of 1986) that has a total payroll of \$5,000,000 or more for the tax year, the minimum tax is \$2,000. Tax years of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month. Total payroll refers to the total payroll of the affiliated group rather than total New Jersey payroll of a single corporation. Taxpayers that are members of an affiliated or controlled group must submit a schedule of payroll per member and a copy of the taxpayer's federal affiliations schedule, Form 851, with the return. Refer to Schedule A-GR for the determination of New Jersey gross receipts.

The minimum tax cannot be prorated. **Zero returns are not permitted.**

### Line 9 – Tax Credits

If the amount of tax credit(s) being used on Form CBT-DIV 2017 Supplemental are different than credit amount originally reported, complete the Schedule A-3 enclosed in this packet. Submit a copy of the original Schedule A-3 and the revised schedule.

**NOTE:** A copy of the original Schedule A-3 must be submitted, even if there is no change.

### Line 10 – Revised Tax Liability

Subtract line 9 from line 8 and enter the difference.

### Line 11 – Originally Reported Tax

Enter the tax liability that was reported on your original 2017 Form CBT-100 or Form BFC-1.

### Line 12 – CBT-100 or BFC-1 Tax

Subtract line 11 from line 10 and enter the difference.

### Line 13 – Amount of Tax Due or Credit to 2018

*Line 13a.* If line 12 is greater than zero, enter the amount on line 13a. This is the amount of CBT-100 or BFC-1 tax you owe.

**NOTE:** If you had an overpayment on your original 2017 Form CBT-100 or Form BFC-1, and you want to apply it to your revised tax liability, include a statement indicating how you want the monies applied. However, if a refund was issued for 2017, your request cannot be accommodated.

Payments must be made electronically either through the Division of Taxation's [website](#) or through the [Premier Business Services](#). Electronic payments made by 11:59 p.m. on the due date will be deemed timely

even if the settlement date is after the filing deadline. **Be sure to indicate that the payment is for 2017.**

**NOTE:** Penalties and interest are imposed whenever tax is paid after the original due date. See the section on "[Penalties, Interest, Collection Fees](#)" in the publication ANJ-1, *New Jersey Taxpayers' Bill of Rights*.

*Line 13b.* If line 12 is less than zero, enter the amount on line 13b. This is the amount that will be credited forward to the 2018 return.

*Line 13c.* If line 12 is zero, enter zero on line 13c. You must submit this return even if the result is zero.

## Schedule A

### Line 1 Through Line 33(a)

Enter the amount originally reported on Form CBT-100 or Form BFC-1 onto each of the lines.

### Line 33(b)

*Line 33(b)(1).* For tax years beginning on and after January 1, 2017, the Internal Revenue Code §965 net amounts reported for Federal purposes must be reported on line 33(b)(1). The gross I.R.C. §965(a) exclusion amounts must be included on Schedule P and Schedule R and Schedule RT, if applicable, and included accordingly on line 37, Schedule A.

**NOTE:** If Internal Revenue Code §965 dividends were included on Schedule A, line 4 on your original Form CBT-100 or BFC-1, do not include on line 33(b)(1).

Include a copy of the I.R.C. §965 Repatriation Tax Schedule filed with your federal return.

*Line 33(b)(2).* Enter amounts originally reported on Line 33b of Form CBT-100 or BFC-1.

### Line 33(e)

Enter any IRC §965(c) deductions and exemptions for periods beginning on or after January 1, 2017, as disallowed by New Jersey statute. Enclose a schedule. See [N.J.S.A. 54:10A-6.5](#).

### Line 35 – Net Operating Loss Deduction

Enter your Net Operating Loss deduction. Enclose a copy of the originally filed Form 500. If this amount is being amended, you must also submit a revised Form 500.

### Line 37 – Dividend Exclusion

Complete Schedule P and Schedule R and enter the appropriate amount.

New Jersey follows the federal ownership attribution rules. This includes the federal ownership attribution rules that were made retroactive to January 1, 2017, pursuant to P.L. 115-97. Therefore, when determining the dividend exclusion allowable pursuant to [N.J.S.A. 54:10A-4\(k\)\(5\)](#), a taxpayer must calculate the ownership percentages of its subsidiaries accordingly.

### BFC-1: Line 38 – IBF Exclusion

Enter the amount reported on line 38 of the Schedule A previously filed with your 2017 Form BFC-1. This amount cannot be amended using CBT-DIV 2017 Supplemental.

**NOTE:** Pursuant to [N.J.S.A. 54:10A-4\(k\)\(4\)](#) only certain taxpayers are allowed this exclusion. Enter zero on line 38 if you were a taxpayer that did not take this exclusion on your original tax return.

### Line 39 – Entire Net Income

Add lines 37 and 38 and subtract the total from line 36. Enter the difference on this line and on page 1, line 1, CBT-DIV-2017-Supplemental.

## More Information

Additional information on the changes resulting from P.L. 2018, c. 48 and P.L. 2018, c. 131 is available on the Division's [website](#). If you have questions about this form, please email us at [Taxation.CBT@treas.nj.gov](mailto:Taxation.CBT@treas.nj.gov).

## Schedule A-3

Enclose a copy of the Schedule A filed with your original CBT-100 or BFC-1 return. If the amount of your tax credit is changing, complete a revised Schedule A-3.

## Schedule P – Subsidiary Investment Analysis

Itemize the investment in each subsidiary company, showing the name of each subsidiary, the percentage of interest held in each company, the individual book value included in the balance sheet for each subsidiary investment and the amount of dividends paid and/or deemed received from each subsidiary that is included in gross income on Schedule A. Part I is for reporting information from domestic subsidiaries. Part II is for reporting information on foreign subsidiaries. Do not include advances or other receivables due to subsidiaries in the book value reported at Column 3.

**NOTE:** The gross IRC 965(a) amount must be included on Schedule P, not the net IRC 965 amount.

## Schedule R – Dividend Exclusion

Taxpayers may exclude from entire net income 95% of dividends from qualified subsidiaries, if such dividends were included in the taxpayer's gross income on Schedule A. The calculation is done in Part I and Part II of Schedule R (see [N.J.S.A. 54:10A-4\(k\)\(5\)](#)). A qualified subsidiary is defined as ownership by the taxpayer of at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock, except non-voting stock which is limited and preferred as to dividends. With respect to other dividends, the exclusion shall be limited to 50% of such dividends included in the taxpayer's gross income on Schedule A, provided the taxpayer owns at least 50% of voting stock and 50% of the total number of shares of all other classes of stock. The amount of the dividend exclusion allowed to be taken as a deduction is limited to the amount of income reported on line 36 of Schedule A for that tax year. Taxpayers shall not include money market fund or REIT income as part of the dividend exclusion.

**NOTE:** The gross IRC 965(a) amount must be included on Schedule R, not the net IRC 965 amount.

Part II of Schedule R is used for calculating the 5% of dividend income received by a taxpayer from a 80% or greater owned subsidiary that is includable in entire net income and is subject to a special statutory allocation factor, which is the lower of the three-privilege period average allocation factor of the 2014 through 2016 allocation factors filed by the taxpayer on their tax returns or 3.5%. If one of those returns was a short-year return, the allocation from that year will count for the special three-year average allocation formula. If the taxpayer has filed fewer than three periods, take the average of the periods being reported. All allocation factors must be carried out to 6 decimal places.

**NOTE:** The tiered dividend exclusion from certain subsidiaries is calculated separately on Schedule RT since it is an allocated dividend exclusion.

## Schedule RT – Allocated Tiered Subsidiary Dividend Exclusion

Taxpayers may exclude dividends received from a subsidiary that have filed a tax return and paid New Jersey corporation business tax on the dividends received from other subsidiaries to the extent such dividends were included in the subsidiary's allocated entire net income. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. The total excludable tiered subsidiary amounts reported on Schedule RT are used on Part II of Schedule R, if applicable, to calculate the allocated tiered dividend deductible against allocated entire net income.

**NOTE:** See N.J.S.A. 54:10A-4(k)(5)(C). The gross IRC 965(a) amount must be included on Schedule RT, not the net IRC 965 amount.

### Part I

Provide the requested information for dividends included in entire net income from investments in which the taxpayer owns 80% or more of the voting stock and all other classes of stock of a subsidiary. Only include itemized dividends if the subsidiary distributing the dividends to the taxpayer filed and paid tax to New Jersey on the dividends in 2017. **DO NOT** include dividend income received from a subsidiary if the subsidiary has not filed and paid tax to New Jersey on the dividends.

**Column 2:** Include dividends received from a lower tier subsidiary. Use the amount before any dividend exclusion.

**Column 3:** If an individual row is \$2,000 or less, enter 0 in Column 5 of that row. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. If the tax was reduced to less than \$2,000 because of a tax credit, use the actual amount.

**Column 4:** Use the allocation factor as reported on Schedule R, Part II, Section A, line 2. This is the lesser of 3.5% or the average of the allocation factors (from Schedule J) for Tax Years 2014, 2015, and 2016. If one of those returns was a short-year return, the allocation from that year will count for the special three-year average allocation formula. If the taxpayer has filed fewer than three periods, take the average of the periods being reported. All allocation factors must be carried out to 6 decimal places.

**Column 5:** Carry the amount from line 1 to Part III. Use the amount from line 2 to complete Schedule R.

### Part II

Provide the requested information for all dividends included in entire net income from investments in which the taxpayer took either the 50% or 0% Dividend Exclusion. **DO NOT** include dividend income received from a subsidiary if the subsidiary has not filed and paid tax to New Jersey on the dividends.

**Column 4:** If an individual row is \$2,000 or less, enter 0 in Column 5 of that row. The tax the subsidiary paid on the dividends must have exceeded the minimum tax, unless the subsidiary also used its New Jersey tax credits. If the tax was reduced to less than \$2,000 because of tax credits, use the actual amount.

**Column 5:** Include dividends received from a lower tier subsidiary. Use the amount before any dividend exclusion.

### Part III

Add the amounts and carry the total to Schedule R.

## Schedule 500 – Net Operating Loss Deduction

Enclose a copy of Form 500 filed with your original CBT-100 or BFC-1 return. If the amount of your net operating loss deduction is changing, complete a revised Form 500.

**Line 1** – Beginning with return periods ending on or after July 31, 1995, enter the return periods that have a loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1. If space is insufficient to report all return periods, an additional page is included in this packet. The additional page may be reproduced as needed.

**Line 2** – Enter the amount of the loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1 for each return period listed on line 1.

**Line 3** – Enter that portion of the loss reported on line 2 that was deducted in a previous year.

**Line 4** – Enter the amount of the NOL that has previously expired.

**Line 5** – Enter the amount excluded from Federal taxable income under subparagraph (A), (B), or (C) of paragraph (1) of subsection (a) of Internal Revenue Code (26 U.S.C. s.108) for the tax years ending after June 30, 2014.

**Line 6** – Subtract the amounts reported on lines 3 through 5 from the amount on line 2. This is the total amount of NOL available for deduction in the current year.

**Line 7** – Enter the total of all amounts reported on line 6 from all pages completed.

**Line 8** – Enter the amount from Schedule A, line 34.

**Line 9** – Enter the lesser of line 7 or line 8 and report this amount on the appropriate line of the CBT-DIV 2017 Supplemental.