

New Jersey State Tax news

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State Treasurer Sworn In



David Rousseau was confirmed by the State Senate and sworn in as State Treasurer on April 7, 2008. He was sworn in as Acting State Treasurer on January 16, 2008, soon after Governor Jon S. Corzine announced his intention to nominate Mr. Rousseau to be State Treasurer.

Prior to becoming Acting State Treasurer, Mr. Rousseau served as Senior Advisor to the Governor for Budget and Fiscal Policy and as Deputy State Treasurer. In those roles, he worked closely with the Governor and Treasurer in developing and implementing the annual State budget and other fiscal policy issues.

Mr. Rousseau has spent his career working at high levels on the

State budget in the Legislative and Executive Branches of New Jersey government.

He served as Deputy State Treasurer from 2002 until 2006 and provided policy guidance to the Governor, Treasurer, and Governor's office on areas related to fiscal and budget policy including taxation issues, property tax relief, and reform. He also oversaw the operations of the Office of Management and Budget and participated in the operations of the Division of Taxation, Division of Pensions and Benefits, and the Office of Public Finance.

Mr. Rousseau was Senior Policy Advisor to the Senate President focusing on the budget before returning to the Treasury Department.

He served as the Budget Director for the Senate Democratic office from 1990 to 2002. He moved to the Senate staff after serving as Research and Project Coordinator for the Election Law Enforcement Commission.

Mr. Rousseau received a bachelor's degree from Temple University where he graduated cum laude. He holds an MBA from Rider University.

Mr. Rousseau is a lifelong Mercer County resident. He lives in Hamilton with his wife and two children. □



CORPORATION BUSINESS TAX

Retroactive NJ S Corporation Election

To provide uniform relief for corporations that have inadvertently failed to make a timely New Jersey S corporation election, the Division of Taxation has adopted procedures (N.J.A.C. 18:7-20.3) that enable a corporation to make a retroactive election to be recognized as a New Jersey S corporation.

Corporations requesting a retroactive election must complete and file a Retroactive S Election Application, [Form CBT-2553-R](#) and remit a non-refundable fee of \$100 for each tax year affected by the late filing. Form CBT-2553-R must be submitted with [Form CBT-2553](#), New Jersey S Corporation Election, if the corporation does not currently have S corporation status. If New Jersey S corporation status has previously been approved, a copy of the CBT-2553 form that was originally filed with the Division of Revenue must be submitted.

A retroactive election will only be granted if the proper forms and fees are submitted and all of the following criteria are satisfied:

- The corporation is authorized to do business in New Jersey and is registered with the Division of Taxation;
- All appropriate corporation business tax returns have been timely filed and the taxes timely paid as if the New Jersey S corporation election request had been previously approved;

- The completed Retroactive S Election Application is received before any assessment for a year covered by the request becomes final;
- The Division has not denied a previous late-filed New Jersey S election request; and
- All shareholders have filed tax returns, reported the appropriate S corporation income, and paid the related tax in full when due as if the New Jersey S corporation election had been previously approved. □

SALES AND USE TAX

Changes in UEZ Refund Filing Procedure

Beginning February 1, 2008, a new filing procedure took effect for qualified urban enterprise zone businesses claiming a refund of sales tax paid. In addition, P.L. 2007, Chapter 328, which was signed into law on January 13, 2008, and became effective immediately, broadened the exception for small businesses under the urban enterprise zone sales and use tax rebate program. Previously, only qualified businesses with annual gross receipts of less than \$1 million were provided a sales tax exemption at the point of purchase when making purchases for their own use in the urban enterprise zone. Businesses with gross receipts of \$1 million or more were required to pay the tax and then apply for a rebate of the amount paid. Chapter 328 increased the threshold to include small qualified businesses with less than \$3 million in annual gross

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This publication is designed to keep taxpayers, tax practitioners, and the general public informed of developments, problems, questions, and matters of general interest concerning New Jersey tax law, policy, and procedure. The articles in this newsletter are not designed to address complex issues in detail, and they are not a substitute for New Jersey tax laws and/or regulations.

Division of Taxation Director:
Maureen Adams

News Coordinators for This Issue:

<i>Audit</i>	Peggy Cook
<i>Compliance</i>	Marita Sciarrotta
<i>Crim. Investigation</i>	Lee Roach
<i>Property Admin.</i>	Holly Reinson
<i>Legislation</i>	John Kelly

Contributors: Pamela Allen, Carol E. Bell, Beth A. Berniker, William G. Bittner, Eric Friedmann, Barry Fulmer, Jessica Lanna, Elizabeth J. Lipari, Mark Phillips, Carol M. Trovato, and Fred Wagner.

Staff: J. Donald Byrnes, Lauren D. Higgins, Terry A. McWilliams, Sara E. Murphey, Erin J. Toth, Kelly J. Warboys.

Editor: Sheri B. Silverstein



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receipts, thus expanding the number of businesses eligible to obtain the exemption at the time of purchase.

On and after February 1, 2008, businesses still required to pay tax at the time of purchase and apply for a rebate must use the following procedure:

- Complete and file a refund claim on [Form A-3730-UEZ](#).
- Submit a spreadsheet ([Form A-3730-UEZ-1](#)) along with Form A-3730-UEZ that lists the individual transactions covered by the refund claim. The method used to submit the spreadsheet depends on the number of transactions included in the claim:

Method 1 – Electronic Spreadsheet (compact disk). Transactions: more than 25.

Method 2 – Manual Spreadsheet (on paper). Transactions: 25 or less.

- Documentation (e.g., invoices, proof of payment) is no longer required to be submitted with the refund claim. However, all supporting documentation must be retained by the taxpayer for a period of not less than 4 years from the postmark date of the claim. The Division reserves the right to request the supporting documentation (including schedules and statements) at any time during the 4-year period for the purpose of examination and verification of the refund.

For more information on urban enterprise zones go to the Division's Web site at: www.state.nj.us/treasury/taxation/uez.shtml □

LOCAL PROPERTY TAX Tax Deductions Certified

The 2007 State Revenue Sharing Act Distribution for senior and disabled persons, surviving spouses, and veterans was delivered to the State Treasurer on September 14, 2007.

Under the provisions of R.S. 54A:10-1 et seq., as amended, the Director of the Division of Taxation certified to the State Treasurer in this report the amount of revenue sharing funds due each municipality on November 1, 2007.

The total amount of property tax deductions for senior and disabled persons and surviving spouses for 2007 was \$20,409,862. That amount represents a decrease of 6% from 2006. The total number of property tax deductions for senior and disabled citizens and surviving spouses for 2007 was 78,024. When compared to tax year 2006, the number of deductions decreased 4%.

For tax year 2007, the amount of veterans' deductions was \$71,667,069. That amount represents a decrease of 3% from 2006. The total number of veterans' deductions for 2007 was 281,305. When compared to tax year 2006, the number of deductions decreased 3%.

The total amount of property tax deductions and veterans' deductions includes the additional 2% each municipality is reimbursed for administrative costs as a result of P.L. 1997, c.30. □

Public Outreach by Conference & Appeals Branch

Between October 2007 and January 2008, representatives from the Conference and Appeals Branch traveled New Jersey speaking to over 650 tax practitioners at 10 different venues. The presentations, which were aimed at increasing practitioners' familiarity with the Branch's practices and procedures, addressed each potential phase of the administrative appeal cycle, discussing what a taxpayer and/or their representative can and cannot expect.

Some of the topics addressed by the presentations were: time constraints, perfecting your protest, paying your tax liability without conceding to the protested issues, appealing a notice of assessment versus a notice of deficiency, surety, how cases are assigned, when you can expect your case to be assigned, the importance of providing substantiating documentation, tips to help streamline your case, your conference, final determinations, and Tax Court.

The Conference and Appeals Branch looks forward to continuing its public outreach initiatives as it strives to increase the efficiency of the administrative appeal process. If, through your professional affiliation, you would like to invite a representative from the Conference and Appeals Branch to speak to a group of thirty or more taxpayers and/or practitioners, please fax your request to Chief, Conference and Appeals Branch, at 609-324-4094. For more information about the Branch, visit www.state.nj.us/treasury/taxation/organization/confappl.shtml □



INHERITANCE/ESTATE TAX

Property Inherited by Domestic/Civil Union Partners

The New Jersey Domestic Partnership Act was signed into law on January 12, 2004, and applies to the estates of decedents dying on or after July 10, 2004. The New Jersey Civil Union Act was signed into law on December 21, 2006, and applies to the estates of decedents dying on or after February 19, 2007.

The Domestic Partnership Act provides that all transfers by will, survivorship, or contract to a surviving domestic partner are exempt from the New Jersey inheritance tax. This includes membership certificates or stock in a cooperative housing corporation and the value of

any pension, annuity, retirement allowance, or return of contributions. There is no provision in the Domestic Partnership Act which provides a New Jersey estate tax marital deduction for property passing to a surviving domestic partner.

Section 4 of the Civil Union Act gives civil union couples “all of the same benefits, protections and responsibilities under law, whether they derive from statute, administrative or court rule, public policy, common law or any other source of civil law, as are granted to spouses in a marriage.” Section 5n of the Act provides that “legal benefits, protections and responsibilities of spouses shall apply in like manner to civil union couples” to “laws relating to taxes imposed by the State or a municipality including but not limited to homestead rebate tax allowances, tax deductions based on marital

status or exemptions from realty transfer tax based on marital status.” Section 92 of the Act provides that “whenever in any law, rule, regulation, judicial or administrative proceeding or otherwise, reference is made to “marriage,” “husband,” “wife,” “spouse,” “family,” “immediate family,” “dependent,” “next of kin,” “widow,” “widower,” “widowed” or another word which in a specific context denotes a marital or spousal relationship, the same shall include a civil union pursuant to the provisions of this act.” A surviving civil union partner is exempt from the New Jersey inheritance tax. A surviving civil union partner may claim for New Jersey estate tax purposes a marital deduction equal to that permitted a surviving spouse under the provisions of the Internal Revenue Code in effect on December 31, 2001. Property passing to

Relationship	Inheritance Tax		Estate Tax – Marital Deduction	
	Date of Death		Date of Death	
	On/after 7/10/04 and prior to 2/19/07	On/after 2/19/07	Prior to 2/19/07	On/after 2/19/07
Civil union partner	Class A – Exempt ¹	Class A – Exempt ²	No	Yes ²
Same sex marriage valid in another jurisdiction	Class A – Exempt ¹	Class A – Exempt ²	No	Yes ²
Domestic partner	Class A – Exempt ¹	Class A – Exempt ¹	No	No
Child of a partner artificially inseminated during a recognized civil union or domestic partnership	Class A – Exempt (Child)	Class A – Exempt (Child)		
Child of a civil union partner not artificially inseminated during a recognized civil union and not adopted by the decedent	Class D – Subject to Tax ³	Class A – Exempt (Stepchild) ²		
Child of domestic partner not artificially inseminated during a recognized domestic partnership and not adopted by the decedent	Class D – Subject to Tax ³	Class D – Subject to Tax ³		
Domestic partner of son or daughter of decedent	Class D – Subject to Tax ³	Class D – Subject to Tax ³		
Civil union partner of son or daughter of decedent	Class D – Subject to Tax ³	Class C – Subject to Tax ⁴		
Child of a domestic or civil union partner adopted by the decedent	Class A – Exempt	Class A – Exempt		

¹ Under provisions of Domestic Partnership Act

² Under provisions of Civil Union Act

³ Other beneficiary under provisions of Domestic Partnership Act. Tax rates 15%–16%.

⁴ Same as wife/widow of son or husband/widower of daughter under provisions of the Civil Union Act. Tax rates 11%–16%.



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beneficiaries other than a surviving civil union partner is treated in the same manner as though the decedent had been survived by a spouse.

For additional information, write to Inheritance and Estate Tax Section, Individual Tax Audit Branch, P.O. Box 249, Trenton, NJ 08695-0249 or call 609-292-5033. □

**LOCAL PROPERTY TAX
Tax Assessors’
Calendar**

April 1–

- Deadline for appeals of assessed valuations to County Tax Boards by taxpayers and taxing districts and for appeals of assessed valuations over \$750,000 to Tax Court. April 1 deadline extended to 45 days from date the taxing district completes bulk mailing of notifications of assessment, whichever is later.

- Property Tax Deduction Disallowance Notice, Form PD4, for nonfiling or late filing of Post-Tax Year Statement or income over \$10,000 sent by collector.
- Percentage level of taxable value of real property established by the County Tax Boards.
- If appeal petition or complaint is filed April 1 or during the 19 days preceding April 1, the taxpayer or taxing district has 20 days from date of service of appeal petition or complaint to file cross petition with County Tax Board or counterclaim with Tax Court.

April 10–

- Copy of County Tax Board resolution of real property taxable value percentage level mailed to assessors, municipal clerks, and Director, Division of Taxation.

April 15–

- Form SR-3A filed with Property Administration by County Tax Board.

May 1–

- Residential properties identified by assessors and certified to County Tax Board.
- Certification of REAP aid due to each local unit for tax year received by County Tax Board.
- Extended deadline for filing Annual Post-Tax Year Statement, Form PD5, with the collector where property tax deduction recipient’s illness or medical problem prevented the required March 1 filing.
- Extended deadline for filing assessment appeals in taxing districts that have implemented a municipality-wide revaluation or reassessment.

May 20–

- Table of Aggregates completed by County Tax Board from assessor’s Tax Duplicates and Taxation Director’s certification of 2nd class railroad property.
- General tax rates certified by County Tax Boards.

May 23–

- Table of Aggregates signed by County Tax Boards and transmitted to County Treasurer who files, prints, and transmits a certified copy to the Director, Division of Taxation; State Auditor; Director, Division of Local Government Services in the Department of Community Affairs; clerk of the Board of Freeholders; and clerk of each municipality in the county.

June 1–

- Assessors’ Property Tax Deduction Disallowance Notices, Form PD4, sent.
- Collectors’ Property Tax Deduction Disallowance Notices, Form PD4, for nonfiling Post-Tax Year Statement or income over \$10,000 for taxpayers granted medical extension sent.
- Repayment of disallowed property tax deduction previously granted required. Nonpayments become liens.

June 3–

- Corrected Tax Duplicates sent by County Tax Board to tax collectors for billing purposes.

June 5–

- Certification of Property Tax Deductions, Form PD-65.10, and Certification of Veterans’ Deductions, Form VE-WVE-1, completed and forwarded by collector to County Tax Board.

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Interest 9.00%

The interest rate assessed on amounts due for the period April 1, 2008 – December 31, 2008, will be 9.00%.

The assessed interest rate history is listed below.

Effective Date	Interest Rate
1/1/04	7.00%
1/1/05	8.00%
10/1/05	9.50%
1/1/06	10.00%
10/1/06	11.25%
1/1/07	11.25%
1/1/08	10.50%
4/1/08	9.00%



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2nd Monday in June-

- If the Director, Division of Taxation, requires, assessors shall report to the Director the description and valuation of railroad property not used for railroad purposes.

June 15-

- County Tax Board to certify to Director, Division of Taxation, total number and dollar amount summary of senior citizen, disabled, surviving spouse, and veterans' property tax deductions allowed and disallowed by each district. □

Small Business Workshops

The Division of Taxation periodically conducts free workshops throughout New Jersey designed to help small businesses better understand their State tax obligations. The seminars are a half day in duration and cover the following topics:

- Business registration
- Meeting employer responsibilities
- Reporting business income
- Filing sales and use tax returns

For more information, including the current workshop schedule, visit the Division's Web site at: www.state.nj.us/treasury/taxation/smallbus.shtml □

Criminal Enforcement

Criminal enforcement over the past several months included:

- On November 14, 2007, a New Jersey State Grand Jury handed up an indictment charging Peter D. Kim, a resident of Franklin Lakes, New Jersey, with theft by failure to make required disposition of taxes in excess of \$75,000, the misapplication of taxes in excess of \$75,000, and the failure to turn over taxes in excess of \$75,000 to the Division of Taxation. Mr. Kim owned and operated Pioneer Automotive, Inc., doing business as Troycar Sales and Leasing, a company involved in the retail sale of used automobiles, for the period beginning April 2000 through January 2005. Taxation investigators monitored the business practices of Troycar for a period of time and determined that the business was not remitting appropriate sales tax. The Office of Criminal Investigation initiated an investigation into the sales tax allegations and determined that Mr. Kim collected over \$850,000 in sales tax from Troycar's customers between 2000 and 2004 but failed to remit the entrusted funds. Mr. Kim fled the country in early 2005 and an arrest warrant has been issued.
- On November 15, 2007, Hazem Abuali pled guilty in Union City Municipal Court to possession of contraband cigarettes (N.J.S.A. 54:52-18), transportation of contraband cigarettes (N.J.S.A. 54:40A-32), failure upon delivery to examine and return cigarettes not bearing the required New Jersey revenue stamp (N.J.S.A. 54:40A-25), and liability for the

tobacco products wholesale sales and use tax (N.J.S.A. 54:40B-5). On October 29, 2007, special agents of the Office of Criminal Investigation arrested Hazem Abuali of Philadelphia, Pennsylvania, an unlicensed distributor, at a North Jersey location and charged him with various offenses, including possession and transportation of contraband cigarettes. Confiscated at the time of arrest were cigarettes, cigars, and currency. The currency was forfeited to the State of New Jersey.

- On December 3, 2007, Christopher Nemeth, 40, of Stewartsville, his live-in girlfriend, Marisol Garcia, 37, and their company, Nemeth Enterprises Inc., were indicted by a State Grand Jury in a four-count indictment charging them with second-degree conspiracy, second-degree misapplication of government property, third-degree failure to file State quarterly payroll tax returns, and third-degree failure to pay or turn over \$207,000 in State payroll taxes on behalf of their employees. Nemeth runs the paving company from his home with Garcia's help. The company formerly did business as Nemeth Asphalt Paving Company, but the couple incorporated a successor entity, Nemeth Enterprises Inc., in Pennsylvania in 2006, with Garcia as sole owner and officer, in an alleged effort to avoid New Jersey auditors. The indictment alleges that from 1999 through the second quarter of 2007 the defendants failed to pay the State \$207,003.57 in payroll taxes. The sum includes \$62,603.77 collected from employee wages \$40,038.78 in gross income taxes and \$22,564.99 in

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taxes for the State's unemployment and disability insurance funds (UI/DI taxes) which the defendants were required to hold in trust until remitted to the State. It also includes \$144,399.80 in required employer UI/DI taxes. Throughout that period, the defendants failed to file payroll tax returns, which must be filed quarterly with the Division of Taxation, and employer wage reports, which must be filed annually with the Department of Labor and Workforce Development. Nemeth routinely employed 10 to 12 workers who were laid off during the winter months, resulting in workers filing unemployment claims. The Department of Labor and Workforce Development paid out more than \$100,000 in unemployment benefits to Nemeth's workers during the years in question despite the fact that the company made no contributions to the unemployment insurance fund. Since 2004, the defendants have repeatedly resisted and evaded the State's efforts to compel the company to file wage reports and payroll tax returns, remit employee withholding taxes, and pay UI/DI taxes. The charges stem from a joint investigation by the Department of Labor and Workforce Development and the Division of Taxation and were presented to the State Grand Jury by the Division of Criminal Justice.

- On December 7, 2007, Terry Tolbert, supplier of contraband cigarettes to various retail locations, was sentenced to a three-year term in State prison and taken into custody by the Union

County Sheriff's Office. Previously, Tolbert had pled guilty to third-degree possession of cigarettes in the quantity equal to or greater than 2,000, to which are affixed counterfeit New Jersey revenue stamps, a violation of N.J.S.A. 54:40A-29c, and fourth-degree selling cigarettes not bearing the required revenue stamp in violation of N.J.S.A. 54:40A-28. Mr. Tolbert was a salesman for Tobacco Express, an unlicensed and illegitimate company, whose sole business appears to be the selling of contraband cigarettes. The investigation into the entire business operation continues. Federal authorities are now providing assistance.

- On December 13, 2007, Peter Zarycki, 41, of Forked River, was ordered to serve four years in State prison. Earlier, in September 2007, he pled guilty to two counts of failure to file a tax return and failure to pay tax in addition to ten counts of official misconduct. Peter Zarycki, a 17-year veteran of the Ocean County

Department of Corrections, was charged with official misconduct in connection with the 2005 disappearance of \$78,145 in funds found to be missing from inmate bail accounts. This was a joint investigation with the Ocean County Prosecutor's Office.

- On December 17, 2007, Rosa M. Castro, 51, and her boyfriend, Rafael E. Ramos, 51, pled guilty to charges contained in a March 29, 2007, State Grand Jury indictment. Castro pled guilty to third-degree theft by deception and third-degree money laundering. Ramos pled guilty to third-degree conspiracy. In pleading guilty, Castro admitted to filing 46 fraudulent New Jersey gross income tax returns between March and December of 2006. She allegedly received 22 refund checks from the Division of Taxation totaling \$15,209 and four homestead rebate checks totaling \$865. Ramos admitted that he allowed Castro to deposit the checks into two

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Practitioners' E-File Mandate

The New Jersey Division of Taxation requires any tax practitioner who prepared or filed 50 or more 2006 New Jersey resident income tax returns (Form NJ-1040) to file all their clients' 2007 New Jersey resident income tax returns electronically. More information is available at:

[E-File Mandate](#)
[Frequently Asked Questions](#)
[Opt Out Request Form, NJ-1040-O](#)
[Requirements for Using Opt Out Form](#)

If you have questions concerning the E-File Mandate, call the Division of Taxation at 609-633-6657 or [e-mail us](mailto:nj.taxation@treas.state.nj.us) at **nj.taxation@treas.state.nj.us**



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bank accounts that he maintained. This was a joint investigation with the Major Crimes Bureau of the Division of Criminal Justice.

- On December 21, 2007, Anant Patel, 46, of Roxbury, was ordered to serve 15 years in State prison and pay \$1.4 million in restitution. Harold Stamateris, 47, of Basking Ridge, was ordered to serve 10 years in State prison and pay \$3.7 million in restitution. In October 2007, Anant Patel, a former consultant to Jersey Central Power & Light (JCP&L), pled guilty in connection with a theft of \$11.5 million from a State energy rebate program. Patel pled guilty to charges of second-degree money laundering and second-degree theft. The investigation revealed that Patel conspired with two other men to obtain \$11.5 million in payments for bogus or inflated applications under the New Jersey Smart Start Buildings Program, which offers

rebates to companies that install more efficient lighting or HVAC systems. Patel was hired by JCP&L as a consultant to inspect and verify installation work under the program. Patel admitted that he signed off on work that was never performed and also created a number of bogus contracting and consulting companies to submit false invoices under the program. He admitted he laundered fraudulent rebate checks using a number of bank accounts. The investigation revealed that Patel conspired with Harold Stamateris, who managed the rebate program for JCP&L and was responsible for approving rebate applications. Stamateris pled guilty on February 6, 2007, to first-degree conspiracy, admitting he knowingly signed off on the fraudulent rebates. Patel and Stamateris carried out the fraudulent scheme with an electrical contractor, William D. Eaton Jr., 56, of Caldwell, who fatally shot himself on January 30, 2007, after his

arrest in this case. The case was referred to the Division of Criminal Justice by JCP&L's internal audit group. The case was investigated by the Division of Criminal Justice – Major Financial Crimes Bureau and the Office of Criminal Investigation with assistance from JCP&L auditors.

- On February 6, 2008, Rosa Victoria Rivera (a.k.a. Vicky Roczana Rivera-Peralta), 40, of Lyndhurst, was sentenced to ten years in State prison by Superior Court Judge Thomas P. Kelly in Mercer County. The judge also sentenced Rivera's co-defendant and former boyfriend, John Arturo Perez Silva (a.k.a. John Perez), 39, of Belleville, to three years in State prison. On December 7, 2007, Rivera pled guilty to first-degree conspiracy to commit money laundering and theft by deception. Silva pled guilty to second-degree conspiracy. They agreed to pay full restitution to the State. Rivera and Silva admitted that between February 6, 2004, and July 11, 2006, they, along with Rivera's son, Wilson Armando Piños Rivera (a.k.a. Wilson Piños), 21, filed 540 fraudulent tax returns. About 400 of the returns were filed electronically and the remaining returns were filed on paper. A majority of the refund checks were mailed to mailbox drops leased by either Rivera or her co-defendants. More than 275 checks totaling \$828,272 were deposited in bank accounts maintained by Rivera or Silva, which the defendants allegedly used to pay personal expenses. Rivera admitted that more than \$500,000 in checks was deposited into accounts she maintained. The

Sales Tax Information

P.L. 2005, c.126, effective October 1, 2005, conformed the New Jersey Sales and Use Tax Act to the Streamlined Sales and Use Tax Agreement. More information is available at:

[Streamlined Sales and Use Tax](#)

P.L. 2006, c.44, increased the New Jersey sales and use tax rate from 6% to 7%, effective July 15, 2006. The rate change affects all retail sales of taxable merchandise or services. For more information on the rate increase visit:

[Information for all Sales and Use Tax Vendors](#)

Additional provisions of P.L. 2006, c.44, effective October 1, 2006, extended the sales and use tax to new services, limited some existing exclusions and exemptions, and encompassed product categories that have come into being with new technologies. More information is available at:

[Information Regarding Sales and Use Tax Changes Effective October 1, 2006](#)

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Division of Taxation was able to stop payment on the remaining 264 checks totaling \$1,005,030. The case against Wilson Armando Piños Rivera is pending.

- In the area of refund fraud, the Office of Criminal Investigation prevented the issuance of fraudulent refund claims totaling \$4,971,870 for the period July 2007 through mid-February 2008. In addition, the Office of Criminal Investigation issued assessments based on refunds found to be fraudulently obtained. □

Tax Briefs

9-1-1 System and Emergency Response Fee

Voice Over Internet Protocol (VoIP) — See Sales and Use Tax.

Administration

Business Listed on a State Contract

— The Division responded to an inquiry concerning whether a business that is “listed on the State contract” used by a contracting (government) agency must provide a Business Registration Certificate (BRC) to the agency. P.L. 2004, c.57, effective September 1, 2004, applies to goods and services sold by a business organization to the principal departments in the executive branch of the State government and any division, board, bureau, office, commission, or other instrumentality within or created by such department, or any independent State authority, commission, instrumentality or agency, or any State college or university, any county college, or any local unit such as county or municipal government, including any contracting unit as defined elsewhere in the law. The law

requires that for all such transactions, the business organization must provide the contracting agency with proof of business registration, which the Divisions of Taxation and Revenue in the Department of the Treasury, and the Division of Local Government Services in the Department of Community Affairs have determined to be the BRC issued by the Division of Revenue. Accordingly, the question to be answered is not whether the business organization is “listed on the State contract,” but whether it has a BRC. In any event, it must forward a copy of its BRC to the agency before the agency can contract with it.

Corporation Business Tax

IRC §1231 Capital Loss — For New Jersey corporation business tax purposes, a corporation’s net income is based on the corporation’s Federal taxable income without deductions for net operating losses and other special deductions subject to certain adjustments. The Corporation Business Tax Act does not address the characterization of certain gains or losses as subject to tax. N.J.S.A. 54:10A-4(k); N.J.A.C. 18:7-5.1(b).

The IRC §1231 loss is determined using Federal Form 4797 and the result is entered on Line 9 of Federal Form 1120. (New Jersey allows the IRC §1231 loss and has not decoupled from it.)

Since the amounts reported on Lines 1–28 of Schedule A, Form CBT-100 must be the same as the amounts reported on Lines 1–28 of Form 1120, any deduction from Federal corporate income taken above Line 28 on Form 1120 automatically flows through to Form CBT-100.

Therefore, there is no line on the CBT-100 to note the IRC §1231 loss since that deduction was already taken in calculating the Federal income on Form 1120, which automatically flows through to the CBT-100 tax return.

Short Period Allocation for Foreign Corporations

— If a taxpayer is required to file a return covering an accounting period of less than 12 months, an adjustment of entire net income may be required under N.J.A.C. 18:7-12.1. A short period return is required if a foreign corporation acquires a taxable status in New Jersey after the commencement of its Federal accounting period, and its New Jersey corporation business tax return covers a period less than the accounting period reported on the Federal income tax return.

The proration procedures indicate that when a foreign corporation has a short period return that covers a period other than the accounting period reported for Federal income tax

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purposes, the adjusted entire net income (line 38 of Schedule A) is divided by the number of calendar months, or part of a month, covered by the Federal income tax return, and the result is multiplied by the number of calendar months, or part of a month, covered by the short period return.

If a taxpayer is entitled and elects to allocate less than the full amount of its entire net income to New Jersey, the allocation fractions must reflect, both in the numerator and denominator, only the period covered by the short period return. This would be reflected on Schedule J, Part III (computation of allocation factor). For treatment of allocation on a short period return, see N.J.A.C. 18:7-12.3.

Cosmetic Medical Procedures Gross Receipts Tax

Cosmetic Dental Procedures — The Division has received several inquiries from dental offices regarding the taxability of various cosmetic dental procedures and cosmetic dental supplies sold by dentists.

The sales and use tax, imposed under N.J.S.A. 54:32B-1 et seq., and the cosmetic medical procedures

gross receipts tax (CMPGRT), imposed under N.J.S.A. 54:32E-1, are two separate and distinct taxes. A transaction may be subject to sales tax or to CMPGRT or to neither tax, but cannot be subject to both.

If a dentist offers teeth whitening (solely for cosmetic purposes), those charges for teeth whitening are subject to the 6% CMPGRT only if the dentist actually performs the procedure in the dental office or clinic. If, instead, the dentist sells the patient a teeth whitening kit for the patient to use at home, the sale of the bleaching supplies is subject to 7% sales tax, to be collected and remitted by the dentist. However, since the dentist has not performed the bleaching procedure on the patient, there is no receipt for a cosmetic medical procedure on which the CMPGRT can be imposed.

Teeth whitening is currently the most common cosmetic medical procedure performed by dentists and subject to the CMPGRT. Numerous dental procedures that may improve a patient's appearance are not subject to the CMPGRT if their primary purpose is to correct congenital or developmental abnormalities or damage caused by trauma or illness. For example, charges for reconstructive

dental surgery, orthodontic services, and the installation of dental implants to replace missing teeth are not subject to the CMPGRT, even though these services effect an improvement in patients' appearance. (Generally, these charges will also be deductible as medical expenses for Federal income tax purposes.) Similarly, veneers or bonding procedures are not subject to the CMPGRT unless done solely for cosmetic purposes.

A veneer is a thin covering of the facial surface of a tooth usually constructed of a tooth colored material (like porcelain or ceramic) used to restore discolored, damaged, misshapen, or misaligned teeth. Together with crowns, composite restorations, and amalgam restorations, veneers are recognized as restorative procedures and commonly are covered by insurance. Veneers are placed by removing a thin layer of tooth structure and then bonding the laminate to the tooth. Bonding is considered to be a restorative procedure. It is a process by which two or more components are made integral by mechanical and/or chemical adhesion at their interface. Bonding also involves removing a thin layer

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**Enforcement Summary Statistics
Fourth Quarter 2007**

Following is a summary of enforcement actions for the quarter ending December 31, 2007.

• Bank Levies	1,454	• Seizures	119
• Certificates of Debt:		• Auctions	4
Total Number	5,775	• Referrals to the Attorney General's Office	477
Total Amount	\$41,689,938		

For more detailed enforcement information, visit our Web site at:
www.state.nj.us/treasury/taxation/jdgdisc1.shtml



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of tooth structure. Typically, bonding is billed as a composite restoration for insurance purposes.

Hotel/Motel Occupancy Fee
Complimentary Hotel Rooms —
 See Sales and Use Tax.

Sales and Use Tax
Complimentary Hotel Rooms —
 The occupancy of a room in a hotel or motel in this State is subject to New Jersey sales tax. N.J.S.A. 54:32B-3(d). A State occupancy fee is imposed on charges for the rental of a room in a hotel, motel, or similar facility. In addition, certain municipalities are authorized to enact a municipal occupancy tax.

However, sales tax and the hotel/motel occupancy fee and municipal occupancy tax are not imposed on a room that is provided to a guest as a “complimentary.” If the room is partially comped and the guest pays a reduced rental charge, sales tax and the hotel/motel occupancy fee and municipal occupancy tax are imposed on the amount actually paid by the guest.

For more information on the hotel/motel occupancy fee and municipal occupancy tax, see: www.state.nj.us/treasury/taxation/hotelfee.shtml

Cosmetic Dental Procedures —
 See Cosmetic Medical Procedures Gross Receipts Tax.

Sales Price Includes Reimbursed Expenses — The definition of the taxable sales price is set forth at N.J.S.A. 54:32B-2(o)(1) which states that:

- (1) Sales price is the measure subject to sales tax and means the total amount of consideration, including cash, credit,

property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- (A) The seller’s cost of the property sold;
- (B) The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;...

For example, a repairman incurs mileage, toll, and lodging expenses as part of travelling to the customer’s location to perform a taxable repair service. When he purchases the lodging, the repairman will pay sales tax, hotel/motel occupancy fee and, if applicable, municipal occupancy tax. Tolls and gasoline are not subject to sales tax.

When these expenses are passed along to the customer, they become part of the sales price, regardless of

whether they are included in a lump-sum charge for the repair service or separately itemized to the customer. If the transaction is for a service that is exempt from sales tax, then the reimbursed expenses would not be subject to tax. If the transaction is for a service that is subject to sales tax, then the reimbursed expenses would be subject to tax.

Temporary Fencing For Livestock Farms — The Division was asked whether a livestock farmer’s purchase of temporary fencing material qualifies for the farming use exemption under N.J.S.A. 54:32B-8.16, which exempts “receipts from sales of tangible personal property and production and conservation services to a farmer for use and consumption directly and primarily in the production, handling and preservation for sale of agricultural or horticultural commodities at the farming enterprise of that farmer,” with certain exceptions set forth in the provision.

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Pay NJ Taxes Electronically

Electronic Check (E-Check)

www.state.nj.us/treasury/taxation

Make a payment directly from your bank account

Credit Card*

1-800-2PAYTAX

www.officialpayments.com

* Fee of 2.49% of tax payment applies.

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The farmer, who raises cattle for sale, explained that the fencing material consists of a roll of wire, metal or fiberglass posts, an electrical charger, and an insulator. The fencing is secured in place with the posts.

The fencing, once installed, controls the farmer's cattle while they are grazing. It is easily removed and re-installed in a new location when the pasture needs to be rotated. Thus, it is a tool for managing the way the cattle feed.

Based on the way this temporary fencing is used on the purchaser's farm, it is deemed to be farm equipment used directly and primarily in producing cattle (an agricultural commodity) for sale. Therefore, it qualifies for exemption under N.J.S.A. 54:32B-8.16. The farmer should give the supplier a properly completed Farmer's Exemption Certificate, Form ST-7, when purchasing the fencing material.

The fence is temporary, easily moved, and in fact is moved every time the pasture is rotated. It is not a building or structure, and therefore materials used to construct it are not excluded from the exemption under N.J.S.A. 54:32B-8.16b(3). Temporary fencing materials purchased by other kinds of farmers will not necessarily qualify for exemption. The livestock farmer's entitlement to exemption is based on the specific purpose that the fencing serves in the raising of cattle for sale.

Voice Over Internet Protocol (VoIP) — The Division responded to an inquiry regarding the taxability of voice over Internet protocol (VoIP).

The Sales and Use Tax Act defines "telecommunications" as "the act or privilege of originating or receiving messages or information through the use of any kind of one-way or two-way communication; including but not limited to voice..., computer..., using electronic or electromagnetic methods, and all services and equipment provided in connection therewith...." N.J.S.A. 54:32B-2(cc).

Retail sales of telecommunications services sourced to this State are subject to New Jersey sales tax based upon the customer's place of primary use. N.J.S.A. 54:32B-3(f); N.J.S.A. 54:32B-3.4(b). "Place of primary use" is defined as "the street address representative of where the customer's use of the telecommunications service primarily occurs, which shall be the residential street address or the primary business street address of the customer...."

Whether voice over Internet services are viewed as voice transmissions by other than traditional means or as data transmissions, the service falls within the Sales and Use Tax Act's definition of telecommunications. Therefore, VoIP service is subject to New Jersey sales tax for services sourced to this State.

Legislation enacted in 2004 (P.L. 2004, c.48) imposed a "9-1-1 System

and Emergency Response Assessment" fee of \$.90 to be charged for each voice grade access service line provided as part of a telephone exchange service and each mobile telephone number. Telephone exchange service includes VoIP service as well as cable telephony. Thus, each periodic bill for VoIP service must include the \$.90 fee. □

In Our Courts

Gross Income Tax

Reporting of Income in the Proper Category – *Michael & Helen Kaplan v. Director, Division of Taxation*, Docket No. 000032-2006, and *Morris & Sandra Lisman-Kaplan v. Director, Division of Taxation*, Docket No. 000039-2006, decided January 8, 2008.

In a published opinion, Judge Kuskin affirmed the Director's assessment.

Michael and Morris Kaplan were partners in a rental real estate partnership. Upon liquidation, the rental real estate partnership distributed properties individually to the Kaplans. Michael and Morris Kaplan received these properties as single-member limited liability companies (LLC).

The Kaplans maintained their single-member LLC designations on the distributed partnership properties in order to attain favorable capital gains treatment on their Federal income tax returns.

Prior to 2002, the Kaplans identified two Georgia properties for acquisition. The Kaplans entered into an IRC Section 1031 tax-free exchange of property. The Kaplans' accountant and attorney advised them that in order to comply with IRC §1031

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Public Auction Information

Announcements of upcoming public auctions of seized property are published on the Division of Taxation's Web site under "[News](#)." For details about a particular auction, select "NJ Public Auction at the beginning of its listing."

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and the regulations thereunder, ownership of the Georgia properties in their individual capacities was required because the properties the taxpayers were exchanging were owned by them individually.

The Kaplans reported the losses from their Georgia properties on their New Jersey gross income tax returns as net gains or net income derived from or in the form of rents, royalties, patents, and copyrights. The taxpayers improperly reported and netted partnership income against the rental losses.

The taxpayers were sent notices of deficiency denying the improper netting of partnership income against rental income losses. For New Jersey gross income tax, partnership income per N.J.S.A. 54A:5-1k must be reported in the category of income, distributive share of partnership income.

The taxpayers filed complaints in Tax Court challenging the Division's assessment. After the taxpayers filed their complaints, they claimed that their holding of the Georgia properties should really be considered a partnership LLC, not a single-member LLC, because the brothers Kaplan had arranged many of their business affairs in this manner, a tenancy in common had been established, and the business affairs of the Georgia properties were operated as if they were a partnership. This designation has impact on the Kaplans' New Jersey resident tax returns, since, if the ownership of the Georgia apartments was considered a partnership, the rental loss from the Georgia properties would be allowed to be netted against partnership income in the

category distributive share of partnership income. Conversely, a designation as single-member LLC would require that the Kaplans report the rental losses from the Georgia apartments in the net gains or net income derived from or in the form of rents, royalties, patents, and copyrights category, thus denying the opportunity to net any of the losses from the Georgia apartments against any of the Kaplans' other taxable New Jersey income.

N.J.A.C. 18:35-1.3(a)(1) states:

Only entities that qualify for and elect to be treated as partnerships for federal tax purposes and are in business shall be treated as partnerships under the Gross Income Tax Act.

In rendering its decision, the Court opined:

Plaintiffs seek the benefit of two different theories of taxation applied simultaneously. They wish to preserve, for tax years 2002 and 2003, their individual ownership status with respect to the Georgia partnership in order to preserve their qualification for a tax free exchange under IRC § 1031, while demanding that the Director treat the very same ownership entities as partnerships in order to enable plaintiffs to realize a tax benefit under the Gross Income Tax Act. Plaintiffs cannot have it both ways.

The Court underscored the general rule that New Jersey gross income must be reported in the proper category as defined in N.J.S.A. 54A:5-1. □

In Our Legislature

Administration

Professional Conduct of Tax Preparers — P.L. 2007, c.258, enacted on January 11, 2008, and effective April 1, 2008, imposes certain standards for the professional conduct of tax preparers and penalties for violation of those standards. This Act is administered by the Department of Banking and Insurance.

Corporation Business Tax

Credit for Digital Media Content Production — P.L. 2007, c.257, enacted on January 11, 2008, and effective immediately, establishes a corporation business tax credit for 20 percent of the expenses of producing certain digital media content in New Jersey. The Act sets a limit on the combined total value of credits a business may claim for digital media content creation and film production credits. It also specifies that a business claiming tax credits for job creation for digital media production may not base its claim on job creation that is used as a basis for other types of grants or tax credits under the State's other business incentive and grant programs.

Urban Transit Hub Tax Credit Act

— P.L. 2007, c.346, enacted on January 13, 2008, and effective immediately, establishes a tax credit program for businesses that engage in certain kinds of capital investments and increases in full-time employment in urban rail transit hubs. Urban transit hubs include property within a half-mile radius of the midpoint of a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail station platform area. The Act will be

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implemented by the New Jersey Commerce Commission in consultation with the Division of Taxation.

Gross Income Tax

Checkoff for New Jersey Veterans Haven Support Fund — P.L. 2007, c.233, enacted on January 3, 2008, effective immediately, and applicable to taxable years beginning on or after January 1, 2008, establishes a New Jersey Veterans Haven Support Fund and allows taxpayers to make contributions to this fund through an option on the individual gross income tax return.

Urban Transit Hub Tax Credit Act — P.L. 2007, c.346. See Corporation Business Tax.

Environmental Taxes and Fees

Recycling Tax and Expiration of Solid Waste Services Tax — P.L. 2007, c.311, enacted on January 13, 2008, imposes a \$3-per-ton recycling tax, effective immediately, on solid waste accepted for disposal or transfer at a solid waste facility as well as on solid waste collected by a solid waste collector that transports solid waste for transshipment or direct transportation to an out-of-State disposal site. In addition, the Act provided for expiration of the solid waste services tax on February 1, 2008. Recycling tax revenues are deposited in the State Recycling Fund, administered by the Department of Environmental Protection, and used for the purposes enumerated in the Act.

Electronic Waste Management Act — P.L. 2007, c.347, enacted on January 13, 2008, and effective immediately, establishes a recycling system for used electronic devices and components. It establishes a

Used Television Recycling and Management Program Fund in the Department of the Treasury, administered by the Department of Environmental Protection, and containing funds generated by registration fees and market share payments to be paid by manufacturers.

Local Property Tax

Assessment Appeal Deadlines — P.L. 2007, c.256, enacted January 11, 2008, and effective immediately, changes the deadline for appeals of certain property tax assessments. When there has been a municipality-wide revaluation or reassessment, a taxpayer or taxing district may appeal to the county board of taxation on or before May 1, or if the assessed value of the property exceeds \$750,000, may instead file a complaint directly with the State Tax Court.

Short-Term Property Tax Exemptions and Abatements — P.L. 2007, c.268, enacted on January 13, 2008, and effective immediately, permits short-term property tax exemptions to begin immediately following the completion of a project instead of in the next tax year following the tax year when the project was completed.

Property Tax Exemption for Spouses of Disabled Veterans — P.L. 2007, c.317, enacted January 13, 2008, and effective immediately, allows the surviving spouse of a disabled veteran to claim a property tax exemption when the veteran's disability declaration was granted after death.

Calculation of Reserve for Uncollected Property Taxes — P.L. 2007, c.344, enacted January 13, 2008, and effective immediately, lowers the threshold for Tax Court and county tax board judgments against

municipalities by changing the method of calculation of the reserve for uncollected taxes.

Local Taxes and Fees

Changes in Local Payroll Tax Provisions — P.L. 2007, c.294, enacted January 13, 2008, and effective immediately, amends the Local Tax Authorization Act to permit municipalities that impose payroll taxes by ordinance to enact ordinances allowing the assessment of interest charges on delinquent payroll taxes owed to the municipality.

Municipal Special Event Parking Surcharge — P.L. 2007, c.296, enacted January 13, 2008, and effective immediately, authorizes municipalities to enact ordinances imposing a 7% "special event" parking tax surcharge on charges for parking, garaging, or storing motor vehicles for special events held in the municipality on weekday evenings, weekends, and holidays.

Municipal Surcharge on Charges for Admission to Major Places of Amusement — P.L. 2007, c.302, enacted on January 13, 2008, and effective immediately, authorizes municipalities to adopt ordinances imposing a 5% surcharge on admission charges to certain major places of amusement that are also subject to New Jersey sales tax pursuant to N.J.S.A. 54:32B-3(e)(1). The surcharge is to be collected by the same people who collect the admission charges from customers, who must then remit the surcharges collected and submit monthly tax returns reporting the surcharge to the Division of Taxation. Revenue from this surcharge collected in each municipality is distributed to each municipality by the State Treasurer.

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Miscellaneous

Charity Care Fraud Prevention and Detection Act — P.L. 2007, c.217, enacted on December 20, 2007, and effective January 19, 2008, establishes procedures to prevent fraud and correct mistakes in the charity health care system. This Act provides that the State Treasurer and the Commissioner of Health and Senior Services will establish an interagency agreement under which the Division of Taxation will conduct random checks of personal State income tax returns filed by individuals who have been determined to be eligible for charity health care.

Extension of Eligibility of Business Relocation and Retention Tax Credits — P.L. 2007, c.310, enacted January 13, 2008, and effective immediately, amends the Business Retention and Relocation Assistance Act. It extends eligibility for “tax credits” to businesses relocating at least 50 full-time jobs from existing locations within this State to new locations in this State. Previously, the threshold for eligibility was that an employer relocate 250 jobs. The “tax credits” are granted by the Commerce and Economic Growth Commission.

Motor Fuels Tax

Penalties for Motor Fuel Sale Violations — P.L. 2007, c.221, enacted January 3, 2008, and effective on that date, increases the monetary penalties for violations of the law governing retail sales of motor fuels.

Sales and Use Tax

Changes in Urban Enterprise Zone Sales Tax Rebate Program — P.L. 2007, c.328, enacted on January 13, 2008, and effective immediately, amends the definition of “small business” applicable to the UEZ sales tax rebate program by raising the maximum annual gross receipts threshold from less than \$1 million to less than \$3 million. “Small businesses” are an exception to the requirement that qualified UEZ businesses claiming exemption from sales tax on purchases for their own use in the zone must first pay the tax at the point of purchase and then apply for a refund of the tax paid. “Small businesses,” as defined in the Act, may instead claim the exemption at the point of sale. □

Tax Calendar

The following three calendars provide listings of filing and payment dates for tax year 2007 (January 1, 2007 – December 31, 2007) and tax year 2008 (January 1, 2008 – December 31, 2008) for businesses and individuals:

- **Chronological List of Filing Deadlines** — This calendar is for use by both businesses and individuals. If you are responsible for a return that is not listed in this calendar, please refer to the instructions that accompanied the return, or contact the Customer Service Center at 609-292-6400 for the appropriate filing deadline.

[2007](#) [2008](#)

- **Alphabetical Summary of Due Dates by Tax Type**

[2007](#) [2008](#)

- **Payment Dates for Weekly Payers** — An employer or other withholder of New Jersey gross income tax is designated a “weekly payer” if the amount of tax they withheld during the previous tax year was \$10,000 or more.

[2007](#) [2008](#) □



*important
phone
numbers*

- Customer Service Ctr 609-292-6400
- Automated Tax Info . 1-800-323-4400
- 609-826-4400
- Homestead Rebate Hotline
for Homeowners .. 1-888-238-1233
- Homestead Rebate Hotline
for Tenants 1-888-213-8623
- Property Tax Reimbursement
Hotline 1-800-882-6597
- Earned Income Tax Credit
Information 609-292-6400
- NJ TaxFax 609-826-4500
- Business Paperless Telefiling
System 1-877-829-2866
- Speaker Programs 609-984-4101
- Alcoholic Bev. Tax 609-588-3932
- Corp. Liens, Mergers, Withdrawals
& Dissolutions 609-292-5323
- Director’s Office 609-292-5185
- Inheritance Tax 609-292-5033
- Local Property Tax 609-292-7974
- Motor Fuels Tax
Refunds 609-588-3688
- Public Utility Tax 609-584-4337

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2007 TAX LAWS

CH.	DATE	SYNOPSIS	TAX*	BILL
30	1/26/07	Authorizes eligible municipalities to create sports and entertainment districts and to impose additional taxes therein to finance the development of sports and entertainment facilities.	MIS	A-3835
43	2/21/07	Establishes the New Jersey Tax and Fiscal Policy Study Commission to study the State and local tax structure and related fiscal issues.	MIS	S-50
62	4/3/07	Establishes homestead credits for homeowners calculated as a percentage of property taxes paid during the previous year and imposes a 4% cap on local tax levies.	PTRP	A-1
63	4/3/07	The "Uniform Shared Services and Consolidation Act" and other provisions encourage savings among local units of government, implement user-friendly budgets, and expand the authority of county school superintendents.	LPT	A-4(1R)
86	5/4/07	The "Reduced Cigarette Ignition Propensity and Firefighter Protection Act" establishes requirements to ensure that cigarettes sold in the State satisfy fire safety standards and allows the Division of Taxation to inspect cigarettes to determine whether they are marked as required.	MIS	ACS for A-2575(1R)
89	5/6/07	Increases the amount of State tax credits granted to businesses providing funding to qualified neighborhood revitalization projects.	MIS	S-2095(1R)
90	5/6/07	Permits short-term property tax exemption or abatement for owners of homes located in a redevelopment area that were destroyed by fire when reconstruction or renovation is performed by a charitable entity or for-profit entity that uses volunteer labor.	LPT	ACS for A-3334
91	5/6/07	Permits short-term property tax exemption or abatement for certain single-family homes located in a redevelopment area that are improved to accommodate totally disabled persons when reconstruction or renovation is performed by a charitable entity or for-profit entity that uses volunteer labor.	LPT	A-3768
94	5/10/07	Provides certain manufacturing facilities a seven-year exemption from sales tax imposed on energy and utility services and from the TEFA unit rate surcharge.	S&U	A-3759(1R)
100	6/28/07	Makes several changes in tax compliance procedures in order to enhance tax collection and increase revenue.	ALL	A-5002(1R)
101	6/28/07	Establishes a tax clearance certificate program for awards of certain business assistance and incentives.	MIS	A-5003

2007 TAX LAWS *(continued)*

CH.	DATE	SYNOPSIS	TAX*	BILL
102	6/28/07	Imposes personal liability on certain persons required to collect Cape May County tourism sales tax, Atlantic City luxury tax, hotel and motel occupancy fee, 9-1-1 system and emergency response fee, and cosmetic medical procedures gross receipts tax.	MULT	A-5004
105	6/28/07	Exempts membership fees and dues of certain governmental and charitable clubs and organizations, municipal parking and garaging, and certain parking fees at Atlantic City casinos from sales and use tax.	S&U	SCS for S-2269 and S-2289(3R)
106	6/28/07	Requires that lottery prizes over \$600 be offset to satisfy certain debts.	MIS	S-2400
109	6/28/07	Expands eligibility for the New Jersey earned income tax credit and enhances the benefit amount.	GIT	S-2647
114	7/13/07	Establishes penalties for employers who misclassify construction workers as independent contractors.	GIT	A-4009(2R)
157	8/21/07	Clarifies intent and effect of requirements of P.L. 2004, c.183 with respect to historic site real property tax exemptions.	LPT	ACS for A-4126
195	10/26/07	Prohibits regulation of certain aspects of voice over Internet protocol and Internet protocol-enabled services.	MIS	A-4339(1R)
200	11/2/07	Requires certain disclosures of information by corporations that receive development subsidies.	MULT	S-1213(1R)
217	12/20/07	Establishes procedures to prevent fraud and correct mistakes in the charity health care system.	MISC	A-4295(2R)
221	1/3/08	Increases the monetary penalty amounts for violations of the law regulating the retail sale of motor fuels.	MFT	S-383
233	1/3/08	Provides for voluntary contributions by taxpayers on gross income tax returns for the New Jersey Veterans Haven Support Fund.	GIT	A-2663
256	1/11/08	Changes the filing deadline for assessment appeals following municipality-wide revaluation or reassessment.	LPT	S-1519(2R)
257	1/11/08	Provides a corporation business tax credit for certain digital media content production expenses.	CBT	S-2526(2R)
258	1/11/08	Imposes certain standards for the professional conduct of tax preparers and penalties for the violation of those standards.	MISC	A-1698(3R)
268	1/13/08	Permits short-term property tax exemptions and abatements to begin immediately following completion of a project.	LPT	S-824(1R)
294	1/13/08	Permits municipalities that impose local payroll taxes to assess interest when the taxes are delinquent.	MISC	S-2888(1R)

2007 TAX LAWS *(continued)*

CH.	DATE	SYNOPSIS	TAX*	BILL
296	1/13/08	Authorizes municipalities to impose a 7% special event parking tax surcharge for special events held on weekday evenings, weekends, and holidays.	MISC	S-2891(1R)
302	1/13/08	Authorizes municipalities to impose a 5% surcharge on admission charges to certain major places of amusement.	MISC	S-2971(2R)
310	1/13/08	Lowers the minimum full-time jobs requirement for business relocation and retention tax credits.	MISC	A-1696
311	1/13/08	Imposes a \$3-per-ton recycling tax on solid waste accepted for disposal or transfer at a solid waste facility as well as on solid waste collected for transshipment or direct transportation to an out-of-State disposal site. The Act also provides for the expiration of the solid waste services tax on February 1, 2008.	ENV	ACS For A-1886(1R)
317	1/13/08	Allows the surviving spouse of a disabled veteran to claim a property tax exemption when the veteran's disability declaration is granted after death.	LPT	A-2426
328	1/13/08	Broadens the exception for small businesses under the urban enterprise zone sales tax rebate program by raising the maximum annual gross receipts threshold from less than \$1 million to less than \$3 million.	S&U	A-3938(3R)
344	1/13/08	Lowers the threshold for Tax Court and county tax board judgments against municipalities by changing the method of calculation of the reserve for uncollected taxes.	LPT	A-4667
346	1/13/08	Establishes the "Urban Transit Hub Tax Credit Act" allowing tax credits to certain businesses for certain capital investments in urban transit hubs.	CBT/GIT	S-3043(1R)
347	1/13/08	Establishes a recycling system for used electronic devices and components.	ENV	ACS for A-3572

2007 TAX LAWS (*continued*)

***Legend for 2007 Tax Laws**

ABT = Alcoholic Beverage Tax	LIT = Litter Control Fee
ALL = All Taxes Administered by the Division	LPT = Local Property Tax
CAS = Casino Taxes and Fees	MFT = Motor Fuels Tax
CBT = Corporation Business Tax	MIS = Miscellaneous
CIG = Cigarette Tax	MULT = Multiple Taxes
CMC = Cape May County Tourism Sales Tax	PPT = Petroleum Products Gross Receipts Tax
CMPT = Cosmetic Medical Procedures Gross Receipts Tax	PTRP = Property Tax Relief Programs
DSF = Domestic Security Fee	PUT = Public Utility Taxes
ENV = Environmental Taxes	RTF = Realty Transfer Fee
ERF = 9-1-1 System & Emergency Response Fee	S&U = Sales and Use Tax
FBT = Financial Business Tax	SCC = Spill Compensation & Control Tax
FUR = Fur Clothing Retail Gross Receipts Tax and Use Tax	TIR = Motor Vehicle Tire Fee
GIT = Gross Income Tax	TIT/ET = Transfer Inheritance & Estate Tax
HMO = Hotel Motel Occupancies	TPT = Tobacco Products Tax
IPT = Insurance Premium Tax	