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REGISTRATION FORMS AND INFORMATION

This packet contains information and forms you will need to register your business with the State of New Jersey, Division of Revenue. By completing and filing a NJ-REG with the Division of Revenue, a business will be registered for applicable taxes and related liabilities that are administered by the Department of Labor and Division of Taxation. Businesses must submit to the Division of Revenue the Business Registration Form (NJ-REG) and if applicable, the Public Records Filing for New Business Entity form. After registering, businesses will receive the forms, returns, instructions and other information required for on-going compliance with New Jersey State taxes. If you are registering for the first time, you are also required to complete the New Hire Reporting Form (page 29).

Applicants who are registering as **Sole Proprietors or Partnerships** must file pages 17-19, form NJ-REG. Applicants who are registering a new business entity (Corporation, Limited Liability Company, Limited Partnership, or a Limited Liability Partnership), and who have already filed a new business certificate with our Commercial Recording/Corporate Filing Unit, need only complete pages 17-19. There is no need to complete pages 23 and 24 of the package if you have successfully filed with Commercial Recording. Applicants who are registering as a new **Business Entity** (Corporations, Limited Liability Company, Limited Partnership or a Limited Liability Partnership) **must complete the Public Records Filing for New Business Entity** (pages 23 and 24) in addition to pages 17-19. Please note that the **Public Records Filing** should be submitted prior to the completion of form NJ-REG, but form NJ-REG must be submitted within 60 days of filing the new business entity.

Sales Tax? If you will be collecting Sales Tax, you must submit your NJ-REG at least fifteen days prior to the date of your first sale, remitting use tax, or using NJ exemption certificates. You will receive a Certificate of Authority for sales tax indicating the 12-digit identification number assigned to your business.

Federal Identification Number? All corporations and businesses with employees must have a Federal Employer Identification Number (FEIN). You must apply for your FEIN after you have formed your business entity. Contact the Internal Revenue Service at 1-800-829-1040 or www.irs.gov.

Questions? Please contact the Client Registration Bureau at (609) 292-9292 if you have questions regarding the filing of the Business Registration form. Please call (609) 292-9292 for questions regarding the completion of the Public Records Filing for New Business Entity form.



TAXES OF THE STATE OF NEW JERSEY

The following outline provides basic information regarding taxes imposed by the State of New Jersey and administered by the Division of Taxation and the Division of Revenue which a new business may be responsible for collecting and paying.

NEW JERSEY GROSS INCOME TAX (N.J.S.A. 54:A-1-1 *et seq.*)

Personal income tax is imposed on the New Jersey taxable income of resident and nonresident individuals, estates and trusts for taxable years ending on or after July 1, 1976. Residents are subject to tax on all income, regardless of where it was earned, while nonresidents are only subject to tax on income derived from sources within New Jersey.

The withholding requirements apply to every New Jersey employer making payment of taxable wages. For New Jersey Gross Income Tax purposes, the term "employer" includes organizations that may be exempt from Federal income tax or New Jersey Corporation Business Tax, such as religious organizations and governmental agencies.

Generally, anything regarded as "wages" for Federal withholding purposes is subject to withholding for the New Jersey Income Tax. Every taxpayer is required to file a quarterly return of tax withheld (NJ-927) for each calendar quarter. Some taxpayers are also required to file a monthly remittance (NJ-500). Taxpayers classified as "weekly payers" must remit payment of withholdings by means of Electronic Funds Transfer (EFT) on the Wednesday of the week following the week in which the taxes were withheld. Taxpayers not classified as weekly payers must remit the tax withheld with their withholding return either monthly or quarterly, depending on the amount of withholding liability.

RECIPROCAL AGREEMENT (NJ & PA Residents Only)

Under the Reciprocal Tax Agreement, the compensation derived by residents of either state (New Jersey or Pennsylvania) will be subject to income tax only in the state of residence including compensation income derived from sources within the other state.

Compensation that is limited to the provisions of the Reciprocal Agreement means salaries, wages, tips, fees, commissions, bonuses and other remuneration received for services rendered. Businesses or professional income earned by a resident of either state is not covered by the Reciprocal Agreement and is subject to the income tax of the state in which it is earned.

UNEMPLOYMENT & DISABILITY TAXES -

If you are employing, or expect to employ, one or more persons, you should notify the Division of Revenue so that a determination can be made as to whether or not you are subject to the law. Under the law (N.J.S.A. 43:21-19(h1) *et seq.*) it is your responsibility to make the fact known.

Determination of Liability - If you start a business and employ one or more individuals and pay wages of \$1,000 or more in a calendar year, you may be subject to the law.

If you acquire the organization, trade or business, or substantially all the assets of an employing unit which is already subject to the law, you immediately become a subject employer.

If you are subject to the provisions of the Federal Unemployment Tax Act (FUTA) you automatically become subject under the law, unless the services performed are specifically excluded under the New Jersey law. An employing unit is generally subject to FUTA if it had covered employment during some portion of a day in 20 different calendar weeks within the calendar year or had a quarterly payroll of \$1,500 or more.

Note: Agricultural Employers - You are liable for contributions on wages paid to agricultural employees if:

1. You were already a registered employer, or
2. Not registered, you were or became subject to the Law, having paid wages of \$1,000 or more in a calendar year to one or more workers for services performed in a non-agricultural business operation, or

3. You acquired the organization, trade or business, or substantially all the assets of an employing unit already subject to the law, or
4. You are subject to the Federal Unemployment Tax Act, or
5. Not subject under the above provisions, you:
 - a. Paid gross cash remuneration of \$20,000 or more to individuals employed in agricultural labor during any calendar quarter, or
 - b. Employed ten or more individuals in agricultural labor, regardless of whether they were employed at the same moment of time, for some portion of a day in each of 20 different calendar weeks, whether or not such weeks were consecutive.

Special Employers - Under certain circumstances, a crew leader who provides a crew to an agricultural employer, can be considered the employer of the crew for unemployment tax purposes. The agreement between the crew leader and entity must comply with all Federal and State regulations and the crew leader must be registered under the New Jersey Crew Leader Registration Act. For further information contact any Regional Office.

Domestic Employers - In order for you to become subject to the law, you must have paid gross cash wages of at least \$1,000 to domestic labor in a calendar quarter.

The State of New Jersey and its political subdivisions are subject to the law.

SET OFF OF INDIVIDUAL LIABILITY (N.J.S.A. 54A:9-7 *et seq.*)

Public Laws of 1981, Chapter 239, provides the authority for the New Jersey Department of Treasury to apply or cause to be applied any monies due a taxpayer as a Gross Income Tax refund or Homestead Property Tax Rebate, or both, if necessary, toward satisfaction of any indebtedness that the taxpayer may have outstanding to any agency or institution of the New Jersey State Government or the Federal Internal Revenue Service.

CORPORATION BUSINESS TAX (N.J.S.A. 54:10A-1 *et seq.*)

The Corporation Business Tax Act imposes a franchise tax for the privilege of having or exercising a corporate charter, deriving income or doing business, employing or owning capital or property or maintaining an office in New Jersey. The tax also applies to foreign corporations falling into one of the following categories:

- * Holds a general Certificate of Authority issued by the Division of Revenue to do business in New Jersey, or
- * Holds a certificate, license, or other authorization issued by another New Jersey department or agency authorizing it to engage in business within New Jersey, or
- * Employs or owns capital in New Jersey, or
- * Employs or owns property in New Jersey, or
- * Maintains an office in New Jersey, or
- * Derives receipts from sources in New Jersey, or
- * Engages in contacts in New Jersey, or
- * Does business in New Jersey.

Returns are required to be filed on or before the 15th day of the fourth month following the close of the taxpayer's accounting period.

Every corporation must, before commencing to do business in this State, obtain a Corporate Charter from the Division of Revenue.

NEW JERSEY S CORPORATIONS

Chapter 173, P.L. 1993, provides that a corporation may elect to be treated as a New Jersey S Corporation. A corporation may make the elec-

tion to be treated as a New Jersey S Corporation only if the corporation is or will be an S Corporation pursuant to Section 1361 of the Federal Internal Revenue Code, and each initial shareholder of the corporation consents to the election and the jurisdiction requirements by submitting the S Corporation election form (CBT-2553).

NOTICE OF BUSINESS ACTIVITIES REPORTING ACT

(N.J.S.A. 14A:13-14 to 14A:13-23)

Foreign corporations which carry on any activity or own or maintain any property in this state, unless specifically exempted, must file an annual Notice of Business Activities Report. No report is necessary if the foreign corporation has received a Certificate of Authority to do business in New Jersey or has filed a timely return as required under the Corporation Business Tax or the Corporation Income Tax Acts.

The failure of a foreign corporation to file a timely report may prevent the use of the courts in New Jersey for all contracts executed and all causes of action that arose at any time prior to the end of the last accounting period for which the corporation failed to file a required timely report.

CORPORATION BANKING AND FINANCIAL BUSINESS TAX

(N.J.S.A. 54:10A-1 *et seq.*)

Banking and financial businesses that operate as corporate entities are subject to the provisions of the New Jersey Corporation Business Tax Act. For a calendar year operation, a Banking and Financial Corporation Return (BFC-1) is due on the 15th day of April or the 15th day of the fourth month after the close of the fiscal year.

SALES AND USE TAX (N.J.S.A. 54:32B-1 *et seq.*)

A tax is imposed on the receipts from every retail sale or rental of tangible personal property, food and beverage sold by restaurants or caterers, and charges for admissions and occupancies of hotel rooms except as otherwise provided in the Act. The tax is also imposed on the receipts from every sale except for resale of certain services as enumerated in the Act including installing, repairing or maintaining tangible or real property, storage services, telecommunications, direct-mail advertising processing.

Lessors are liable for tax at the time a lease is executed, based on either the purchase price of the property or the total of the lease payments attributable to the lease of the property. Tax must be paid with the next sales and use tax remittance or return due after the lease is executed.

A use tax is imposed on items acquired for use in this State on which a sales tax would be due but has not been paid.

The Law exempts most necessities such as food purchased for home preparation and consumption, prescription drugs, ordinary clothing and footwear, professional and personal services and utilities such as water, steam, and fuel.

The Act further provides tax exemptions for certain items and services when used or consumed under specifically defined conditions or circumstances.

The sales tax is imposed on the consumer; however, every person required to collect any tax imposed by this Act shall be personally liable for collecting and remitting such tax.

Persons required to collect the tax and persons issuing exemption certificates must complete the Registration Application (NJ-REG).

All vendors are required to file quarterly returns (Form ST-50) **electronically**, and some vendors may also have to file monthly returns (ST-51).

SALEM COUNTY (N.J.S.A. 54:32B-8.45 *et seq.*)

Certain sales made by businesses located in Salem County are taxable at a reduced sales tax rate.

To qualify for the rate, the sale must be made from a place of business regularly operated by the vendor for the purpose of making retail sales at which items are regularly exhibited and offered for retail sale and which is not utilized primarily for the purpose of catalogue or mail order sales. Also, merchandise must be ordered or picked up in person by the purchaser at the place of business in Salem County. Salem County vendors file the ST-450 return.

ATLANTIC CITY LUXURY SALES TAX (N.J.S.A. 40:48-8.15 *et seq.*)

Atlantic City imposes a tax on specified retail sales or sales at retail occurring within the city limits.

"Retail sale" or "sale at retail" is defined to include:

- Any sale in the ordinary course of business for consumption of whiskey, beer or other alcoholic beverages by the drink in restau-

rants, cafes, bars, hotels, and similar establishments:

- Any cover, minimum, entertainment or other similar charge made to any patron of any restaurant, cafe, bar, hotel or other similar establishment;
- The hiring (with or without service) of any room in any hotel, inn, rooming or boarding house;
- the hiring of any rolling chair, beach chair or cabana; and
- Admissions to any theater, moving picture, pier, exhibition or place of amusement.

Vendors are required to be licensed.

Sales to or by the State of New Jersey or its political subdivisions, sales exempt under Federal law, and sales by a church or bona fide nonprofit charitable association are exempt.

The ST-250 return is required to be filed by vendors on or before the 20th day of each month covering receipts for the preceding calendar month. Taxes are paid by the purchaser to the vendor who remits the tax to the State. Payment accompanies the return.

CAPE MAY COUNTY TOURISM SALES TAX (N.J.S.A. 40:54D-1 *et seq.*)

The Tourism Improvement and Development District Act authorizes qualified municipalities to levy an additional sales tax on predominantly tourism-related retail sales. The retail sales to be taxed include admissions, hotel occupancies, food and drink sold in restaurants, or similar establishments.

To qualify for the additional sales tax, all such retail sales must be taxable under the Sales and Use Tax Act (P.L. 1966, c. 30; N.J.S.A. 54:32B-1 *et seq.*). The local sales tax would "piggyback" onto the State sales tax which would be collected by the Division of Revenue and placed in a special reserve fund to pay principal and interest on bonds and notes issued by the tourism authority for financing tourism promotion activities and projects within the district. Businesses that make sales of tourism related items will file the ST-350 return on a monthly basis.

URBAN ENTERPRISE ZONE (N.J.S.A. 52:27H-60 *et seq.*)

The Urban Enterprise Zone Act authorizes certain tax benefits for businesses designated as "qualified" by the Department of Commerce and Economic Development. These tax benefits are covered under the Sales and Use Tax Act and the Corporation Business Tax Act.

Application can be made with the Division of Revenue for these benefits only after the business has been designated as "qualified" by the Department of Commerce and Economic Development.

STATE OCCUPANCY FEE AND MUNICIPAL OCCUPANCY TAX

(N.J.S.A. 40:48E-1 *et seq.*)

As of August 1, 2003, there is a State Occupancy Fee imposed on the rental of a room in a hotel, motel or similar facility, other than for assembly purposes. The rate in all municipalities other than Newark, Jersey City, Atlantic City, Wildwood, Wildwood Crest and North Wildwood was 7% as of August 1, 2003, and is reduced to 5% as of July 1, 2004. The State Occupancy Fee in those specific municipalities remains constant at 1%, except for the Wildwoods, where it is 3.15%. In addition, each municipality may adopt an ordinance imposing a Municipal Occupancy Tax which can be imposed at a rate of up to 1% as of August 1, 2003, and up to 3% as of July 1, 2004.

There is an exemption from the State Occupancy Fee and Municipal Occupancy Tax for rentals by agencies and instrumentalities of the federal government, agencies, instrumentalities and political subdivisions of the State of New Jersey and the United Nations and similar organizations. Holders of an Exempt Organization Certificate (ST-5) are not exempt from the Occupancy Fee or Tax.

All businesses engaged in renting rooms in a hotel or similar facility must file the HM-100 Return by the 20th of each month and report and remit the State Occupancy Tax and the Municipal Occupancy Fee, if applicable. The HM-100 is also available on the Division's website.

ALCOHOLIC BEVERAGE TAX (N.J.S.A. 54:43-1 et seq.)

The Alcoholic Beverage Tax Act imposes taxes on alcoholic beverages.

The Alcoholic Beverage Tax is to be paid by manufacturers, wholesalers and other persons licensed by the Division of Alcoholic Beverage Control.

Retail licenses are authorized and issued by municipalities of New Jersey.

CIGARETTE TAX (N.J.S.A. 54:40A-1 et seq.)

A tax is imposed on the sale, use or possession for sale or use within New Jersey of all cigarettes. License fees are payable by distributors, wholesalers, manufacturers, retailers and vending machine retailers.

MOTOR FUELS TAX (N.J.S.A. 54:39-1 et seq.)

The motor fuels tax is imposed on fuel used or consumed in New Jersey. The motor fuels tax is imposed on the consumer, but is precollected pursuant to the terms of the "Motor Fuels Tax Act" P.L. 2010, c.22 (C.54:39 101 et. seq.) for the facility and convenience of the consumer.

NOTE: Motor Fuels Use Tax (N.J.S.A. 54:39A-1 et seq.) is administered by the New Jersey Division of Motor Vehicles and imposes a fuel use tax on certain commercial and omnibus vehicles. This tax is based on the amount of motor fuels used in their operations within New Jersey. For further information, contact the New Jersey Division of Motor Vehicles, 20 S. Montgomery Street, Trenton, New Jersey 08660 or at www.state.nj.us/mv/s/.

INSURANCE PREMIUMS TAX (N.J.S.A. 54:16-1 et seq., 16A-1 et seq., 54:18A-1 et seq., 54:17-4 et seq.)

Insurance Premiums Tax applies to premiums collected on insurance risks in this State during the preceding calendar year. The tax applies to every stock, mutual and assessment insurance company organized or existing under any general or special law of this State or any other state or foreign country transacting business in this State.

Taxable premiums of life insurance companies include all gross contract premiums except premiums for reinsurance and annuity considerations, less certain specified deductions. Non-life companies generally are taxed upon gross premiums and assessments except reinsurance premiums less certain deductions.

An annual premium tax return, reporting the tax liability for the preceding calendar year, must be filed and the tax paid by March 1 of each year. The March 1 return must also include a prepayment of the current year's tax liability equivalent to 50% of the prior year's tax liability. An additional prepayment of the current year's liability, also equivalent to 50% of the prior year's tax liability, is due June 1 of each year.

A tax on the premiums for fire insurance written by a company not organized under the laws of New Jersey must be reported and paid to the treasurer of a duly incorporated firemen's relief association in which the fire insurance risk is located by March 1 of each year, covering the preceding calendar year. The company must also report these premiums on the annual premium tax return. A deduction for the amount of tax paid directly to a firemen's relief association(s) applicable to the calendar year covered by the annual premium tax return is allowed.

A tax on the three year average underwriting profits on ocean marine insurance is reported to the Commissioner of Insurance by April 1 of each year.

A tax on premiums charged for surplus lines coverage is collected from the insured by the surplus lines agent.

Insurance companies may also be subject to retaliatory tax under certain provisions in the law (N.J.S.A. 17:32-15. 17B:23-5).

REALTY TRANSFER FEE (N.J.S.A. 46:15-5)

Recording of deeds which transfer title to real property in New Jersey is subject to the Realty Transfer Fee. The fee is collected by the County Clerk or County Registrar of Deeds when the deed is presented for recording in the county in which the transfer of title occurred.

PUBLIC UTILITY FRANCHISE TAX (N.J.S.A. 54:30A-49 et seq.)

The Public Utility Franchise and Gross Receipts Taxes apply to persons, co-partnerships, associations, and corporations, other than those specifically exempted, operating as sewerage or water companies or providing sewerage and water service in the State of New Jersey.

Inquiries concerning this tax should be directed to the Public Utility

Tax Section of the Division of Taxation at (609) 633-2576.

LOCAL PROPERTY TAX (N.J.S.A. 54:4-1 et seq.)

The Local Property Tax is measured by property values and is apportioned among taxpayers according to the assessed value of taxable property owned by each taxpayer. The tax applies to real estate and tangible personal property of telephone and telegraph companies and messenger systems.

The property tax is a local tax assessed and collected by municipalities for the support of municipal and county governments and local school districts. No part of it is used for support of State government.

SPILL COMPENSATION AND CONTROL TAX

(N.J.S.A. 58:10-23.11 et seq.)

The Spill Compensation and Control Tax is imposed upon the transfer of petroleum products and other hazardous substances, as determined by the New Jersey Department of Environmental Protection, within New Jersey.

The tax is payable by:

- the operator or owner of the receiving major facility or vessel on a transfer of a hazardous substance from a major facility or vessel; or
- the operator or owner of the transferring New Jersey major facility on a transfer of a previously untaxed nonpetroleum hazardous substance to a nonmajor facility; or
- the owner of a hazardous substance transferred to a public storage terminal from a major facility or vessel.

A major facility is a facility with a storage capacity of 200,000 gallons or more for all hazardous substances, including petroleum products, or a storage capacity of 20,000 gallons or more of nonpetroleum hazardous substances.

The SCC-5 return is required to be filed on or before the 20th day of each month for the preceding month's hazardous substance transfers.

LITTER CONTROL FEE (N.J.S.A. 13:1E-213 through 13:1E-223)

The Clean Communities and Recycling Grant Act, imposes an annual Litter Control Fee on all gross receipts from wholesale sales and on all gross receipts from retail sales of litter-generating products sold within or into New Jersey by each person engaged in business in the State as a manufacturer, wholesaler, distributor, or retailer of such products. **Any retailer with less than \$500,000 in annual retail sales of litter-generating products or any "eat-in" restaurant (with take-out sales less than 1/2 of all sales) is excluded from this fee for that calendar year.** Annual returns (LF-5) are required to be filed on or before March 15 of each year.

Litter-generating products are: beer and other malt beverages, cigarette and tobacco products, cleaning agents and toiletries, distilled spirits, food for human or pet consumption, glass containers sold as such, groceries, metal containers sold as such, motor vehicle tires, newsprint and magazine paper stock, nondrug drugstore sundry products, paper products and household paper other than roll stock and wood pulp, plastic or fiber containers made of synthetic material and sold as such, soft drinks and carbonated waters, and wine.

SANITARY LANDFILL TAXES

All sanitary landfill taxes are reportable on one consolidated Sanitary Landfill Tax Return (Form SLT-5).

The Consolidated Sanitary Landfill Tax Return (Form SLT-5) must be filed by the 20th day of the month following that in which tax liability was first incurred and monthly thereafter.

LANDFILL CLOSURE AND CONTINGENCY TAX

(N.J.S.A. 13:1E-100 et seq.)

The Landfill Closure and Contingency Tax is levied upon the owner or operator of every sanitary landfill facility located in New Jersey on all solid waste accepted for disposal.

The Act also requires the sanitary landfill facility owner or operator to establish an escrow account, administered by the New Jersey Department of Environmental Protection, and to deposit into the account \$1.00 per ton of all solid waste accepted for disposal.

SOLID WASTE SERVICES TAX (N.J.S.A. 13:1E-138a)

The Solid Waste Services Tax is levied on the owner or operator of

every sanitary landfill facility in New Jersey on all solid waste accepted for disposal.

The revenue collected from the Solid Waste Services Tax will be deposited in the Solid Waste Services Tax fund to be administered by the New Jersey Department of Environmental Protection.

PETROLEUM PRODUCTS GROSS RECEIPTS TAX

(N.J.S.A. 54:15b-1 *et seq.*)

The Petroleum Products Gross Receipts Tax imposes a tax on (a) the gross receipts derived or gallons sold from the first sale of petroleum products made to points in New Jersey, and (b) the dollar consideration given or contracted to be given for petroleum products imported or caused to be imported for use or consumption within New Jersey.

Receipts from (a) the sale of home heating oil and propane gas used exclusively for residential use, and (b) the sale of petroleum products to governmental entities and exempt organizations are exempt. This exemption does not extend to home heating oil and propane gas for commercial use.

Monthly remittances (PPT-41) and Quarterly reconciliation returns (PPT-40) are required to be filed no later than the 25th day of the month following the end of the month the tax was collected.

TOBACCO PRODUCTS WHOLESALE SALES AND USE TAX

(N.J.S.A. 54:40B-1 *et seq.*)

The Tobacco Products Wholesale Sales and Use Tax is imposed on sales of all tobacco products (excluding cigarettes as defined in N.J.S.A. 54:40A-2) by a wholesaler or distributor.

Distributors and wholesalers who also sell tobacco products at retail or otherwise use the tobacco products must pay a compensating use tax on the wholesale sales price of the products.

Monthly returns (TP-20) are required to be filed no later than the 20th day of the month following the month the tax was collected.

DOMESTIC SECURITY FEE

(N.J.S.A. App. A:9-78)

The Domestic Security Fee Act, imposes a \$5.00 per day fee on motor vehicle rental companies for each day or part thereof that a motor vehicle is rented for the transportation of persons and non-commercial freight, for a period of not more than 28 days. The fee, which must be designated as the "Domestic Security Fee" in the rental agreement, is separate from and in addition to any sales tax imposed on the rental transaction and is not to be included in the receipts subject to sales tax liability assessed pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 *et seq.*).

The fee must be reported on return form DSF-100 which is filed telephonically or by using an internet based application on the Division of Taxation website. The quarterly return must be filed whether or not there are any fees due for the quarter. See the Technical Bulletin on this fee at: www.state.nj.us/treasury/taxation/publtb.htm

NEW JERSEY MOTOR VEHICLE TIRE FEE

(N.J.S.A. 54:32F-1)

As of August 1, 2004, a fee of \$1.50 per tire is imposed on the retail sale of new motor vehicle tires, including tires that are a component part of a motor vehicle that is sold or leased. The Motor Vehicle Tire Fee is imposed on those transactions that are subject to the New Jersey Sales Tax Act. Thus, it is not imposed on sales made to federal or state governmental agencies and entities, qualified exempt organizations; sales for an exempt use; sales to nonresidents. See the Division's July 1, 2004 Notice for additional information about the Motor Vehicle Tire Fee and valid exemptions at: www.state.nj.us/treasury/taxation

COSMETIC MEDICAL PROCEDURES GROSS RECEIPTS TAX

(N.J.S.A. 54:32E-1)

Effective September 1, 2004, the law imposes a 6% cosmetic medical procedures gross receipts tax (CMPGRT) on the purchase of certain "cosmetic medical procedures," which are medical procedures performed primarily in order to improve a person's appearance. The tax does not apply to procedures that significantly serve to prevent or treat illness or disease or to correct abnormalities caused by birth defects, developmental abnormalities, trauma, tumors, infection or disease, or to promote proper functioning of the body. The tax also applies to the sale of goods and of facility occupancies (e.g., hospital or clinic stays) that are required for or directly associated with the taxable cosmetic medical procedure.

Providers of the taxable cosmetic medical procedures, or related goods or occupancies, must collect the CMPGRT from the person on whom the taxable procedure is performed. The 6% tax is calculated on the amount charged to the subject of the taxable procedure for the procedure, or for the associated goods or occupancies. Providers of taxable cosmetic medical procedures, goods, and occupancies may include, but are not limited to, surgeons, dermatologists, electrologists, spas, hair replacement facilities, salons, hospitals, and clinics that may at some time perform cosmetic medical procedures or provide the subject with medical facility occupancies or goods required for or directly associated with such procedures.

Every quarter, on the 20th of the month following the end of the quarter, providers must file a quarterly cosmetic medical procedures gross receipts tax return, CMPT-100, via either Internet or telephone, and at that time must remit any CMPGRT tax collected during the quarter

EMERGENCY PREPAREDNESS AND 9-1-1 SYSTEM ASSESSMENT

(N.J.S.A. 52:17C-17 *et seq.*)

The "Emergency Preparedness and 9-1-1 System Assessment" fee of \$.90 is to be charged by:

- Mobile telecommunications companies for each voice grade access service number as part of mobile telecommunications service provided to a customer billed by or for the customer's home service provider and provided to a customer with a place of primary use in this State, and
- Telephone exchange companies for each telephone voice grade access service line provided as part of that telephone exchange service.

The law became effective July 1, 2004 for mobile telecommunications and August 1, 2004 for PBX Systems.

The fee must be reported on return form ERF-100 which is required to be filed on or before the 20th day of the month following the close of the calendar quarter and must be filed by phone. Payments must be made by electronic check, electronic funds transfer, or credit card.

For more information on the "Emergency Preparedness and 9-1-1 System Assessment" fee, please see "Notice to Telecommunications Providers" available on the Division's website found at <http://www.state.nj.us/treasury/taxation/pdf/911fee.pdf>

SPORTS AND ENTERTAINMENT FACILITY TAX-MILLVILLE

(N.J.S.A. 341B-193)

Signed into law on January 26, 2007. Known as the "Sports and Entertainment District Urban Revitalization Act," the legislation authorizes a governing body of an eligible municipality to establish a sports and entertainment district within that municipality. By city ordinance, approval was granted for the development of the New Jersey Motorsports Park ("Motorsports Park") located in Millville. The act authorizes the establishment of one or more new local taxes and dedicates the revenue from some or all of those taxes to financing projects in the sports and entertainment district. A new 2% local tax has been imposed in the Millville Sports and Entertainment District on receipts from sales (including rentals) of tangible personal property, food and drink, rents for hotel occupancies, and admission charges. For more information, please see Technical Bulletin 61 at <http://www.nj.gov/treasury/taxation/pdf/pubs/tb/tb61.pdf>

NEW WITHHOLDING REQUIREMENT FOR CONTRACTOR SERVICES

(N.J.S.A. 54A:7-1)

Effective January 1, 2007 Chapter 85, P.L. 2006 requires persons, other than a governmental entity, homeowner or tenant, maintaining an office or transacting business in New Jersey and making payments for services to certain unincorporated construction contractors and unregistered individuals to withhold New Jersey Gross Income Tax at the rate of 7% from those payments. See N.J.S.A. 54A:7-1. For more information regarding the New Withholding Requirement for Contractor Services, information is available on the Division's website found at: <http://www.state.nj.us/treasury/taxation/index.html?noticegit.htm~mainFrame>

NJ-REG-I INSTRUCTIONS (11-06) BUSINESS REGISTRATION FORM (NJ-REG)

The NJ Division of Revenue adopted this registration procedure to assist you in becoming aware of and understanding all of the taxes and related liabilities to which a new business or applicant for a license may be subject. The procedure covers tax/employer registration for ALL types of businesses, and also covers the filing of NEW legal business entities such as domestic/foreign corporations or limited liability companies (Public Records Filing, page 23-24).

All businesses must complete the registration application (NJ-REG, pages 17-19) in order to receive the forms, returns, instructions, and other information needed to comply with New Jersey laws. This applies to every individual, corporation, or other legal business entity, or unincorporated entity engaged in the conduct or practice of any trade, business, profession, or occupation, whether full time or part time, within the State of New Jersey. Registration requirements also apply to name holder and dormant corporations, as well as to owners of tangible personal property used in business located in New Jersey or leased to another business entity in New Jersey. **Nonprofit "501(c)(3)" or veterans' organizations that need sales tax exemption should complete an REG-1E application; see "Item A" below for details.** Persons commencing business or opening additional places of business must register at least 15 business days prior to commencement or opening. There is no fee for filing NJ-REG; however, as outlined in the instructions, there are fees for filing new business entities.

Mail the completed NJ-REG to:
NEW JERSEY DIVISION OF REVENUE
PO BOX 252
TRENTON, NEW JERSEY 08646-0252

Overnight Delivery of NJ-REG to:
NEW JERSEY DIVISION OF REVENUE
33 WEST STATE ST, 5th FLOOR
TRENTON, NJ 08608

To submit a Public Records Filing or combined Public Records Filing with NJ-REG, refer to page 21 (Items 2 a-c).

IMPORTANT- READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING ANY FORMS. PRINT OR TYPE ALL INFORMATION. PROVIDE A COMPLETE APPLICATION. FAILURE TO PROPERLY COMPLETE THE APPLICATION MAY DELAY ISSUANCE OF YOUR CERTIFICATE OF AUTHORITY OR LICENSE.

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- Item A** Check the appropriate box to indicate reason for filing the application. Nonprofits that are 501(c)(3), volunteer fire, veterans' or PTO organizations and need sales tax exemption file Form REG-1E. The REG-1E (including Q & A's) is available through the Forms Request System at 800-323-4400 or 609-826-4400 (choose option 4, then 9); or at www.state.nj.us/treasury/taxation/exemption.htm.
- Item B** Enter the FEIN assigned to the employer or vendor by the Internal Revenue Service or if not required, enter the Social Security Number assigned to the sole proprietor. Check the box if you have applied for your FEIN.
- Item C** Enter the corporate name of the business being registered or the name(s) of the owner(s) if an individual or partnership.
- Item D** Enter the Trade Name, if different from Item C.
- Item E** Enter the address of the physical location of the business, do not use a PO Box address. Be sure to include the nine-digit zip code.
- Item F** Enter the name and address to which all New Jersey tax returns will be mailed. Be sure to include the nine-digit zip code. If you wish different type tax returns to go to different addresses, please attach a separate sheet and indicate the address to which each tax return is to go.
- Item G** Enter the date which you started or assumed ownership of this business in New Jersey. If your business has not yet started, enter the date that you will commence doing business. If no business is conducted in NJ, but, you are going to withhold NJ Gross Income Tax for employees, enter the date withholding will begin. Use today's date if you only need a Business Registration Certificate.
- Item H** Check the appropriate box for your Type of Ownership. If you check "S Corporation," complete the New Jersey S Corporation Election form (CBT-2553) found in this booklet on page 41.
- Item I** Enter your New Jersey Business Code from Table A. If you are engaged in more than one type of business, enter the code for the predominant one. This section must be completed to avoid delays in issuance of the Certificate of Authority or License.
- Item J** Enter your New Jersey County/Municipality Code from Table B. This code reflects the County/Municipality in which your business is located.
- Item K** Enter the county where your business is located.
- Item L** If this business will be open a full year, check **NO**. If this is a seasonal business, check the "YES" box and circle the months the business will be OPEN.
- Item M** If the business is a corporation, enter the date and state of

incorporation, the fiscal month of the corporation and the NJ corporation business number of the corporation. If this business is a subsidiary of another corporation, check "YES" and enter the name and FEIN of the parent.

- Item N** Enter the four-digit Standard Industrial Code (SIC) if known.
- Item O** Enter the six-digit North American Industrial Classification System Code (NAICS) if known. (See Table C, page 14)
- Item P** Enter the names of the owner, partners or responsible corporate officer(s). Enter the social security number, title, and home address for each person listed.

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Question 1:

- (a) Have you or will you be paying wages, salaries or commissions to employees working in New Jersey within the next 6 months, check "YES" and enter the date of the first payment. This date must be provided for Unemployment and Disability registration purposes. If "NO", please be aware that if you begin paying wages you are required to notify the Client Registration Bureau at (609)-292-9292.
- (b) If 1(a) is "YES", enter the date you hired your 1st New Jersey employee.
- (c) This date must be provided for Unemployment and Disability registration purposes. Accumulate the gross periodic payrolls until they add up to a total of \$1,000. Enter that date on line 1c.
- (d) If you will be paying wages, salaries or commissions to New Jersey residents working outside New Jersey, check "YES".
- (e) If you will be the payer of pensions and/or annuities to New Jersey residents, check "YES" and enter the date of the first payment.
- (f) If you will be holding legalized games of chance in New Jersey (as defined in Chapter 47 "Rules of Legalized Games of Chance") where proceeds from any one prize exceed \$1,000, check "YES" and enter the date of the first prize awarded. (NJ Lottery proceeds are not included.)
- (g) A PEO (Employee Leasing Company) that registers with the NJ Division of Revenue via NJ-REG is subject to an additional and separate registration process with the NJ Department of Labor. To obtain the special PEO registration forms and information, please visit our website, www.state.nj.us/labor/ea/eaindex.html or call 609-633-6400 x 2209.

Question 2:

If you purchased or otherwise came into possession of 90% or more of the assets of another business, check "Substantially all the assets". If you purchased or otherwise received the right to continue to operate the entire trade or business of another employer, check "Trade or Business". If you took over all the employees of an existing business, excluding corporate officers if any, check "Employees".

Enter the name, any trade name and address of the business you acquired. Also enter the New Jersey Unemployment Registration Number or FEIN of the prior business as well as the date you purchased the business. Also indicate the percentage of assets, trade or business and employees that you took over from the prior business.

Question 3:

When the successor acquires or absorbs and continues the business of a subject predecessor, the successor employer must receive the transfer of the predecessor's employment experience. The transfer of employment experience is required by law.

Question 4: Agricultural labor means the following activities:

1. Services performed on a farm in connection with cultivation of the soil; raising or harvesting any agricultural or horticultural product; raising, feeding, caring for and managing livestock, bees, poultry or fur-bearing animals; handling, packaging, or processing any agricultural or horticultural commodity in its unmanufactured state; repair and maintenance of equipment or real property used in the agricultural activity; and transport of agricultural or horticultural supplies or products if not in the usual course of a trucking business;
2. Service performed in a greenhouse or nursery if over 50 percent of the gross sales volume is attributable to products raised in the greenhouse or nursery; and
3. Service performed by a cooperative of which the producer of the agricultural product is a member if the service performed is incidental and necessary to the delivery of the product to market in a finished state.

Agricultural labor does not include:

1. Service performed at a race track;
2. Service in the breeding, care or boarding of domesticated animals of a kind normally found in a home, such as dogs and cats;
3. Service in a retail enterprise selling the product of an agricultural enterprise if the retail enterprise is not located on or contiguous to the site of production; or
4. Service in a retail enterprise located on or contiguous to the site of production if greater than 50% of the gross sales volume of the retail enterprise is attributable to items not produced at the site.

Question 5:

Household service means service of a personal nature performed outside of a business enterprise for a householder. Household service is normally performed in a private residence, but may be performed in other settings such as a nursing home or a yacht. Household service would include, but is not limited to, the following occupations: maids, butlers, cooks, valets, gardeners, chauffeurs; personal secretaries, baby-sitters and nurses' aides.

- (a) If "YES", this date is to be provided for Unemployment and Disability registration purposes. Accumulate the gross periodic cash payrolls until they add up to a total of \$1,000 in a calendar quarter. Enter that date here.

Question 6:

Has the Internal Revenue Service determined that your organization is exempt from income tax as a 501(c)(3) organization? If yes, check "YES".

Question 7:

Any employing unit subject to the provisions of the Federal Unemployment Tax Act (FUTA) in the current or preceding calendar year automatically becomes an employer unless services are specifically excluded under the New Jersey Unemployment Law. An employing unit (other than one which employs agricultural workers) is generally subject to FUTA if it had covered employment during some portion of a day in 20 different calendar weeks within the calendar year or had a quarterly payroll of \$1,500 or more.

Question 8:

If you believe that you or your business is not required to pay unemployment and temporary disability contributions on wages paid to its employees, check "YES", otherwise check "NO". Examples are: This is a church or the only employees of this proprietorship are the spouse and children under age 18. You may be subject to New Jersey Gross Income Tax Withholding.

Question 9:

For principal product or service in New Jersey only, please provide a

description for that product or service which accounts for over 50% of your business (e.g. fuel oil). Please briefly describe the type of activity your business is engaged in (e.g. drive a fuel truck to sell fuel oil to consumers).

Question 10:

This information is to be supplied by every employer regardless of the number of work locations in New Jersey or the number of classes of industry which it is engaged in. Please do not describe work location by post office box number. The incorporated municipalities in which workers operate or to which they report daily should be named instead. If there is more than one location please list each location beginning with the largest employing facility first. Please provide the location address and indicate the nature of business conducted at each location. If two or more principal classes of activity are conducted at one location, please indicate.

In describing the "Nature of Business", classify your "Primary Activity" under one of the following: wholesale trade, retail trade, manufacturing, mining and quarrying, construction (general or specific), real estate, insurance, finance, transportation, communication, or other public utilities, personal service, business service, professional service, agriculture, forestry, fishery. If the employing unit is engaged in trade, state under "Primary Activity" whether as wholesaler, commission merchant or wholesale branch of manufacturing concern, retailer (store, route, restaurant, fast food, service station, and the like), or retail branch of manufacturing concern. Please refer to the list of business codes provided.

For units engaged in manufacturing, state the product which has the greatest gross annual value. Describe also the basic raw materials or articles. For units with more than one principal product or service show percentage of gross value in each.

For contractors (subcontractors) in construction, state the type of activity, such as general (building or other), highway, heavy marine (not ship), water well, demolition, or specific (i.e. plumbing, painting, masonry or stone, carpentry, roofing, concrete, general maintenance construction, etc.), speculative builder, development builder.

For service providers, state whether hotel, laundry, photography, barber or beauty, funeral, garment, hygienic, business janitor, news, radio, accounting, educational, repair, entertainment, amusement, athletic specific professional, etc.

For the wholesaler or retailer, describe primary commodity.

If engaged in marine transportation, state whether on inland water-ways, harbors, coastwise or trans-oceanic.

For employers engaged in more than one business activity (i.e. service station, mini-mart) show (in the percent column) the relative gross business each activity does.

The average number of employees on the payroll at each location and in each class of activity should be shown. Please continue on a separate sheet if needed.

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Question 11

- (a) If you will be collecting New Jersey Sales Tax and/or paying Use Tax check "YES" and enter the date of the first sale.
- (b) Check "YES" if you will be making tax exempt purchases. If "YES", you will be issued New Jersey Resale Certificates (ST-3) and/or Exempt Use Certificates (ST-4).

NOTE: *Form ST-3, Resale Certificate.* Issued to a vendor by a purchaser who is not the "end user" of the goods or services being purchased.

Form ST-4, Exempt Use Certificate. Issued to a vendor by a purchaser who is purchasing goods for an exempt use.

- (c) If your business is located within Atlantic City, Salem County, North Wildwood, Wildwood Crest or Wildwood, check the applicable box.
If you are eligible for the New York/New Jersey Cooperative Interstate Sales Tax Agreement, indicate this in Question 18 under "Other State Taxes."
- (d) All NJ locations collecting NJ sales tax must be registered. If "YES," attach a rider requesting consolidated reporting.
- (e) If you sell, store, deliver or transport natural gas or electricity to users or customers whether by mains, lines, or pipes located within this State or by any other means of delivery, check "YES."

Question 12:

If you intend to sell cigarettes in New Jersey, check "YES". If "YES", complete Form REG-L if you are requesting a wholesaler, distributor or manufacturer license application. Complete Form CM-100 if you are applying for a retailer or vending machine license. You will be sent the appropriate license/license application after these forms are processed.

Question 13:

- (a) If you are a distributor or wholesaler of tobacco products other than cigarettes, check "YES". Examples of tobacco products are: cigars, little cigars, cigarillos, chewing tobacco, pipe tobacco, smoking tobacco, tobacco substitutes and snuff. Cigarettes are exempt from the Tobacco Products Wholesale Sales and Use Tax.
- (b) If the distributor or wholesaler has not collected the Tobacco Products Wholesale Sales and Use Tax from the retailer or consumer, the retailer or consumer is responsible for remitting the compensating use tax on the price paid or charged directly to the Division of Taxation within 20 days of the date the tax was required to be paid.

Question 14:

If you are a manufacturer, wholesaler, distributor or retailer of "litter-generating products", check "YES". Litter-generating products are: food, soft drinks and carbonated water, beer, wine, distilled spirits, glass containers, metal containers, plastic or fiber containers, groceries, drugstore sundries, cigarettes and tobacco products, motor vehicle tires, newsprint and magazine paper stock, paper products and household paper, and cleaning agents and toiletries.

Question 15:

If you are an owner or operator of a sanitary landfill facility in New Jersey, check "YES" and indicate the facility number and type as classified by the New Jersey Department of Environmental Protection. Registration instructions for the Solid Waste Services and Landfill Closure and Contingency taxes will be forwarded.

Question 16:

- (a) If you operate a facility that has the total combined capacity to store 200,000 gallons or more of petroleum products, check "YES".
- (b) If you operate a facility that has the total combined capacity to store 20,000 gallons of hazardous chemicals, check "YES".
- (c) If you store petroleum products or hazardous chemicals at a public storage terminal, check "YES" and enter the name of the terminal. A Spill Compensation and Control Tax registration application will be forwarded.

Question 17

- (a) If your company will be involved with the sale or transport of motor fuels and/or petroleum, check "YES". If "YES", complete Form REG-L. You will be sent a motor fuel license application (MFA-1) after these forms are processed. You can also obtain the MFA-1 at the Division of Taxation's web site www.state.nj.us/treasury/taxation/prmtmf.shtml.
- (b) If your company is engaged in refining and/or distributing petroleum products for distribution in this State, or importing petroleum products into New Jersey for consumption in New Jersey, check "YES". If you have checked "YES", complete Form REG-L and return it with your completed NJ-REG.
- (c) If you checked "YES", you will be sent a Direct Payment Permit application.

Question 18:

If you will be providing goods or services to casino licensees or acting as a contractor or subcontractor to the State or its agencies, check the "YES" box.

Question 19:

Businesses involved in the rental of motor vehicles (less than 28 day agreements), including passenger autos, trucks and trailers designed for use on the highways, other than those used for the transportation of commercial freight, are subject to the payment of a \$5 per day Domestic Security Fee. If eligible, a business must check YES and go to <http://www.state.nj.us/treasury/taxation/prntmisc.htm> for instructions on how to report and pay the fee quarterly either electronically or by phone (Form DSF-100). See Technical Bulletin 47(R) on this topic at: <http://www.state.nj.us/treasury/taxation/publtb.htm>.

Question 20:

Businesses engaged in the rental of rooms in a hotel, motel, bed & breakfast or similar facility are required to collect a State Occupancy Fee of 5% as of 7-1-04. In addition, a Municipal Occupancy Tax of up to 3% must also be collected, if enacted by the municipality where the facility is located. If such a facility, check YES. You will receive the HM-100 return, which must be filed with payment by the 20th of each month. For additional information on the Fee and a list of municipalities that have enacted the Tax, go to: <http://www.state.nj.us/treasury/taxation/hotelfeeinfo.htm>

Question 21:

For businesses that operate in the Sports and Entertainment District in Millville NJ, a new 2% local tax has been imposed on receipts from sales (including rentals) of tangible personal property, food and drink, rents for hotel occupancies, and admission charges.

Taxpayers subject to the tax must file a quarterly SETMI Return, (Form SM-100) and remit any tax due on or before the 20th day of month following the end of the calendar quarter. For more information on the tax, please go to <http://www.state.nj.us/treasury/taxation/pdf/pubs/tb/tb61.pdf> and for filing information, please go to

www.nj.gov/treasury/taxation/pdf/other_forms/misc/sm100in.pdf

Question 22:

If you sell new tires, or sell or lease motor vehicles, you must check YES. You will receive information regarding the collection of the Motor Vehicle Tire Fee.

Question 23:

If you provide such services, check YES and indicate the type of business, service or practice you are engaged in (e.g. plastic surgery, electrolysis, beauty salon/spa, hair replacement facility, hospital)

Question 24:

If you are a telephone exchange company or a mobile telecommunications carrier which provides voice grade access telephone numbers or service lines as part of that telephone exchange service, thereby providing access to 9-1-1 service through the public switched network, you must check YES. You will receive the ERF-100 return which is due on a quarterly basis.

Question 25:

Contact Person: Enter the name, title, telephone number and e-mail address of the contact person who will answer questions regarding the registration application.

Signature: The application must be signed and dated by the owner if a sole proprietorship, or in the case of a corporation, by the president, vice-president, secretary, treasurer, comptroller, or other duly authorized officer. Unsigned applications cannot be processed and will be returned.