
INSTRUCTIONS FOR FORM 320-IPT

PURPOSE OF THIS FORM – This form must be completed by any taxpayer that claims a tax credit as provided for in the Grow New Jersey Assistance Tax Credit Act, N.J.S.A. 34:1B-242 et seq. If the taxpayer claims this credit on Form DEXM, DEM, EXM, or Form EM, a completed Form 320-IPT must be attached to the return to validate the claim.

The Grow New Jersey Assistance tax credit is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area as defined in the Grow New Jersey Assistance Act. This includes affiliates of the business located in the qualified business facility and tenants that are businesses in the qualified business facility. The capital investment requirements, employment requirements, and amount of the credit vary by qualified investment area and industry type.

A business that is a partnership is not allowed the tax credit directly. If the tax credit is issued to a partnership, each owner of the partnership is issued an amount of the tax credit that is equal to the owner's share, whether or not distributed, of the total distributive income or gain of the partnership for its tax period ending within or with the owner's tax period, or that proportion that is allocated by a partnership agreement.

The tax credit can be applied to 100% of the tax liability. The unused amount of the annual credit can be used during a 20-year carry forward. The business may also apply for a tax credit transfer certificate with the Division of Taxation to transfer unused tax credits from the Grow New Jersey Assistance Program from any year, to sell the unused tax credits to another business. The tax credits must be sold for no less than 75% of the value of the tax credits, and the purchaser is subject to the same limitations and conditions as the seller of the tax credits.

Part I QUALIFICATIONS

In order to be eligible for the tax credit, the answer to questions 1 and 2 must be "YES." If the answer is "NO," the taxpayer is not entitled to the Grow New Jersey Assistance Tax Credit.

The original New Jersey Division of Taxation tax credit certificate or tax credit transfer certificate, along with a cover letter and copies of the completed tax credit form(s) must be submitted, by mail, to the New Jersey Division of Taxation, Office of Legislative Analysis, Grants and Disclosure (OLAGD) at P.O. Box 269, Trenton, NJ 08646-0269. The original certificates are **not** to be included with the return. Failure to submit this documentation by mail will result in the delay and/or denial of the tax credit claimed.

PART II –CALCULATION OF THE AVAILABLE GROW NEW JERSEY ASSISTANCE TAX CREDIT

- (a) Line 5 – The amount of the tax credit is equal to the amount reported on the tax credit certificate or tax credit transfer certificate, referenced in line 2 of the Qualifications section of this form, that was issued by the New Jersey Division of Taxation.
- (b) Line 6 – Enter the sum of the tax credit that was carried forward from the previous year and reported on Form 320-IPT Part II Line 4 plus the tax credit for the current year reported on Part II Line 5 of Form 320-IPT for the current year. This amount is the total GrowNJ Assistance Tax Credit available for use in the current year.

PART III –CALCULATION OF THE ALLOWABLE CREDIT AMOUNT

- (a) Line 8 – Taxpayers claiming multiple Business Tax Credits must list all tax credits already applied against the tax liability to ensure accuracy of the calculation for maximum credit allowable.
- (b) Line 11 – Unused Tax Credits: Any amount of tax credit that exceeds the final tax liability for any tax year, may be carried forward 20 years following a credit's tax year. However, a taxpayer may not carry over any amount of unused tax credit to a tax year during which a corporate acquisition, with respect to which a taxpayer was a target corporation, occurred or during which the taxpayer was a party to a merger or a consolidation.
- (c) The amount of this tax credit, in addition to the amount of any other tax credits, can be carried forward. Note that each tax credit has its own statutory limitations. The amount of unused carry forward is calculated on Part III line 11.

UNUSED TAX CREDITS

An unused credit may be carried forward for twenty (20) years.