

Ending Your Business in New Jersey

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Introduction

If you are registered with the State of New Jersey for tax purposes, you must formally withdraw your registration if you decide to:

- sell the business;
- close the business; or
- not pursue the business (after registering).

Failure to properly notify the State that you are no longer doing business in New Jersey may cause you to receive a *Notice of Delinquency* for any tax returns due and not filed.

All Businesses

All businesses must follow one or more of the following procedures when terminating business in New Jersey. Incorporated businesses must also follow the steps for dissolution or withdrawal described under *Corporations Only* on the next page.

Sales & Use Tax Vendors

When closing, any business which is registered to collect sales tax, remit use tax and/or issue or receive New Jersey sales tax exemption certificates (for example, Forms ST-3 or ST-4) must:

- File an ending quarterly sales and use tax return (Form ST-50) clearly marked “**FINAL RETURN**” for the last quarter that the business was open, even if there is no sales or use tax due for that quarter.
- Complete the back of Form NJ-C (Change of Tax Information). This form is located in the sales and use tax returns (Forms ST-50/51) booklet.
- Complete the reverse side of the Certificate of Authority for sales tax, indicating the last day of doing business and the name of any successor in the spaces provided on the back of the form.
- Return both the Certificate of Authority *and* the NJ-C form to:

NEW JERSEY DIVISION OF REVENUE
CLIENT REGISTRATION
PO BOX 252
TRENTON NJ 08646-0252

NOTE: If you do not have the Certificate of Authority for sales tax issued to you, notify the State of this fact in writing at the above address.

Employers

All registered New Jersey employers (or other businesses that withhold New Jersey income tax from pension or annuity payments or from gambling winnings) that discontinue business or permanently cease paying wages must file the following documents *within 30 days* after the end of the month in which the business or payment of wages ended:

- An ending quarterly return of New Jersey income tax withheld (Form NJ-927 or NJ-927-W) marked “**FINAL RETURN**” (even if the amount withheld for the filing period is zero).
- A Reconciliation of Tax Withheld (Form NJ-W-3) accompanied by the appropriate Wage and Tax Statements (W-2 Forms) and a totaled listing of the amounts of New Jersey income tax withheld.
- A Request for Change of Registration Information (Form REG-C), completed on the back to show the date on which the business or payment of wages ceased. Form REG-C is included in the quarterly packet containing the employer withholding returns (Forms NJ-927 or NJ-927-W).

The employer must also furnish each employee with a copy of his or her Wage and Tax Statement (Form W-2) within 30 days from the date of the employee’s last payday.

**Other
Businesses**

Businesses which are not registered either for sales tax or income tax withholding purposes must notify the State in writing at the above address either by letter or by completing the Request for Change of Registration Information, Form REG-C-L, located in the New Jersey Complete Business Registration Package (NJ REG). Be sure to include your name, business name, New Jersey tax identification number and the ending date of your business.

**Corporations
Only**

In addition to complying with the above requirements, every corporation ending business in New Jersey must:

1. File an Application for Tax Clearance Certificate 90 days before the proposed date of the intended dissolution or withdrawal.
2. File all returns due for all years and/or periods for all applicable taxes (i.e., Corporation Business Tax, Sales and Use Tax, Gross Income Tax withheld, etc.).
3. File an Estimated Summary Tax Return (Form A-5052) with accompanying schedules. It must be completed on an estimated basis for the current period from the close of the last accounting period to the proposed date of dissolution or withdrawal.
4. Submit an affidavit, duly signed and sworn by an officer of the corporation, as required by instruction 3 on Form A-5052. If the information provided is not sufficient for the Corporation Business Tax Section, you will receive a letter from the Division requesting more information.
5. A Tax Clearance Certificate valid for 45 days will be issued.
6. Obtain a Certificate of Dissolution or Withdrawal from the Division of Revenue, Business Services Bureau, or an attorney. Submit this form along with your Tax Clearance Certificate to the Secretary of State by the final date appearing on the Tax Clearance Certificate.
7. For Corporation Business Tax purposes, the legal ending date of a corporation is the date on which the Secretary of State dissolves or withdraws that corporation. The date can never be later than the last date indicated on the Tax Clearance Certificate.
8. File a final CBT-100 or CBT-100S within 30 days. This return will cover the period from the beginning of the current accounting period to the legal date of dissolution or withdrawal.

Under certain circumstances, a corporation may file a certificate of dissolution with the New Jersey Division of Revenue, Business Services Bureau, without obtaining a tax clearance certificate from the Division of Taxation. However, there is no exemption from filing all required returns and paying any amounts due.

To obtain a Corporation Dissolution Kit containing a New Jersey Estimated Summary Tax Return, an Application for Tax Clearance Certificate and complete instructions, call the Division's Automated Tax Information System from a Touch-tone phone at 1-800-323-4400 (within NJ, NY, PA, DE and MD), or 609-826-4400 (anywhere) or call our Customer Service Center at 609-292-6400.

**For More
Information**

For more information on ending your business in New Jersey, call the Division's Customer Service Center at 609-292-6400, or write to:

NEW JERSEY DIVISION OF TAXATION
INFORMATION AND PUBLICATIONS BRANCH
PO BOX 281
TRENTON NJ 08695-0281

Many State tax forms and publications are now available, both by fax and through the World Wide Web. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page via your computer's modem at: <http://www.state.nj.us/treasury/taxation/>