

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4809

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 21, 2020

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Assembly Bill No. 4809.

The bill makes numerous corrections and revisions to clarify and simplify various aspects of the changes that were enacted as part of P.L.2018, c.48 and P.L.2018, c.131. Those laws, among other things, mandated mandatory unitary combined returns on a water's-edge basis if no election for an affiliated group basis filing or world-wide group basis filing had been made. The laws also changed the application of the net operating losses from pre-allocation (called pre-apportionment in other states) to post-allocation (called post-apportionment in other states), updated the research and development credit, and amended the dividend received exclusion.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- 1) revise the dates on which certain provisions of the bill will first apply;
- 2) correct typographical errors;
- 3) provide that no penalties or interest shall accrue for underpayment of tax due to the retroactivity of parts of the bill;
- 4) provide that certain transfers of real property are not subject to the realty transfer fee, which was neglected in the introduced version of the bill; and
- 5) eliminate a provision from a Corporation Business Tax section of law which as introduced stated that a combined group shall be treated as one taxpayer for intercompany transfers for purposes of the realty transfer fee, the controlling interest transfer tax, and the bulk sales notice requirements; for sake of clarity, the requirement to treat a combined group as one taxpayer for intercompany transfers is instead put directly in the provisions of law dealing with the realty transfer fee, the controlling interest transfer tax, and the bulk sales notice requirements.