

[Second Reprint]

**SENATE, No. 4068**

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**STATE OF NEW JERSEY**  
**219th LEGISLATURE**

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INTRODUCED NOVEMBER 8, 2021

**Sponsored by:**

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**Senators Singleton, O'Scanlon, Testa, Assemblymen Wirths, Space and Webber**

**SYNOPSIS**

Revises elective pass-through entity business alternative income tax.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on January 6, 2022, with amendments.



**(Sponsorship Updated As Of: 1/10/2022)**

1 AN ACT concerning the elective pass-through <sup>2</sup>entity<sup>2</sup> business  
 2 alternative income tax, amending <sup>2</sup>【Title 54A of the New Jersey  
 3 Statutes】 P.L.2019, c.320 and P.L.2002, c.40<sup>2</sup>.

4  
 5 **BE IT ENACTED** by the Senate and General Assembly of the State  
 6 of New Jersey:

7  
 8 1. Section 2 of P.L.2019, c.320 (C.54A:12-2) is amended to  
 9 read as follows:

10 2. As used in P.L.2019, c.320 (C.54A:12-1 et al.):

11 "Direct share of the tax paid" means the portion of <sup>2</sup>【pass-  
 12 through】<sup>2</sup> business alternative income tax calculated on the <sup>2</sup>sum of  
 13 each member's share of<sup>2</sup> distributive proceeds <sup>2</sup>【that is also included  
 14 in the gross income of a member of the electing pass-through entity  
 15 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
 16 et seq】 attributable to the pass-through entity<sup>2</sup>.

17 "Director" means the Director of the Division of Taxation in the  
 18 Department of the Treasury.

19 "Distributive proceeds" means <sup>2</sup>【<sup>1</sup>(1)<sup>1</sup> all items of income, gain,  
 20 loss, or deduction of a pass-through entity to the extent the amounts  
 21 are included in the New Jersey gross income <sup>1</sup>of a resident member<sup>1</sup>  
 22 as set forth in N.J.S.54A:5-1 【the net income, dividends, royalties,  
 23 interest, rents, guaranteed payments, and gains of a pass-through  
 24 entity, derived from or connected with sources within the State, and  
 25 upon which tax is imposed and due on a member of the pass-  
 26 through entity pursuant to the "New Jersey Gross Income Tax Act,"  
 27 N.J.S.54A:1-1 et seq., in a taxable year】 <sup>1</sup>, and (2) with regard to all  
 28 other members the net income, dividends, royalties, interest, rents,  
 29 guaranteed payments, and gains of a pass-through entity, derived  
 30 from or connected with sources within the State, and upon which  
 31 tax is imposed and due on such members of the pass-through entity  
 32 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
 33 et seq., in a taxable year<sup>1</sup>. For a nonresident, this means New Jersey  
 34 source income as set forth in N.J.S.54A:5-8.】 (1) in the case of a  
 35 pass-through entity classified as a partnership for purposes of federal  
 36 income tax law, the sum of (a) the distributive share of partnership  
 37 income derived from sources both inside and outside New Jersey of all  
 38 partners who are resident individuals, estates, or trusts that the  
 39 partnership is required to report to the director under N.J.S.54A:5-4  
 40 plus (b) the distributive share of partnership income derived from  
 41 sources inside New Jersey of all partners of the pass-through entity  
 42 who are not resident individuals, estates, or trusts that the partnership  
 43 is required to report to the director under section N.J.S.54A:5-4; and  
 44 (2) in the case of an electing S corporation, the pro rata share of S

EXPLANATION – Matter enclosed in bold-faced brackets 【thus】 in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate floor amendments adopted December 2, 2021.

<sup>2</sup>Senate SBA committee amendments adopted January 6, 2022.

1 corporation income allocated to this State as determined under section  
2 12 of P.L.1993, c.173 (C.54A:5-10). For purposes of determining  
3 distributive proceeds, a pass-through entity shall apply the allocation  
4 factors determined under N.J.S.54A:5-7<sup>2</sup>.

5 "Limited liability company" means an entity organized pursuant  
6 to the "Revised Uniform Limited Liability Company Act,"  
7 P.L.2012, c.50 (C.42:2C-1 et seq.), or prior law providing for the  
8 formation of a limited liability company in this State, or formed as a  
9 limited liability company under similar statutes of other states, that  
10 is classified as a partnership or an S Corporation for purposes of  
11 federal income tax law.

12 "Member" means a shareholder of an S corporation; a partner in  
13 a general, limited, or limited liability partnership; or a member of a  
14 limited liability company.

15 "Partnership" means a syndicate, group, pool, joint venture, or  
16 other unincorporated organization, through or by means of which  
17 any business, financial operation, or venture is carried on in this  
18 State.

19 "Pass-through business alternative income tax" means the tax set  
20 forth in subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3).

21 "Pass-through entity" means a partnership, an S corporation, or a  
22 limited liability company, with at least one member who is liable  
23 for tax on distributive proceeds pursuant to the "New Jersey Gross  
24 Income Tax Act," N.J.S.54A:1-1 et seq., in a taxable year.

25 "Share of distributive proceeds" means the portion of distributive  
26 proceeds attributable to a member of a pass-through entity in a  
27 taxable year.

28 "Taxable year" means the same as in N.J.S.54A:1-2.

29 "Taxed at the business entity level" means taxed pursuant to an  
30 election made under P.L.2019, c.320 (C.54A:12-1 et al.).  
31 (cf: P.L.2019, c.320, s.2)

32  
33 <sup>2</sup>2. Section 3 of P.L.2019, c.320 (C.54A:12-3) is amended to  
34 read as follows:

35 3. a. A pass-through entity with at least one member who is  
36 liable pursuant to the "New Jersey Gross Income Tax Act,"  
37 N.J.S.54A:1-1 et seq., for tax on that member's share of distributive  
38 proceeds of the pass-through entity in a taxable year may elect to be  
39 liable for, and pay, a pass-through business alternative income tax  
40 in the taxable year.

41 b. Each pass-through entity that makes an election for a  
42 taxable year pursuant to this section shall annually report to each of  
43 its members, for the taxable year, the member's share of distributive  
44 proceeds.

45 (1) The election to pay tax at the entity level is available if  
46 consent is made by each member of the electing entity who is a  
47 member at the time the election is filed or by any officer, manager,  
48 or member of the electing entity who is authorized, under law or the  
49 entity's organizational documents, to make the election and who

1 represents to having such authorization under penalties of perjury.  
 2 This election shall be made annually on or before the due date of  
 3 the entity's return as established by the director and on forms  
 4 prescribed by the director. This election shall not be made  
 5 retroactively. If the members decide to revoke an election, that  
 6 revocation shall occur on or before the due date of the entity's  
 7 return.

8 (2) The tax imposed on a pass-through entity pursuant to this  
 9 section shall be determined in accordance with the following table  
 10 with respect to the sum of each member's share of distributive  
 11 proceeds attributable to the pass-through entity for the taxable year.

12 For taxable years beginning on or after January 1, 2020:

13	If the sum of each member's	
14	share of distributive proceeds	
15	attributable to the pass-through	
16	entity is:	The tax is:
17	Not over \$250,000.00.....	5.675% of the sum of
18		distributive proceeds
19	Over \$250,000.00 but not	
20	over \$1,000,000.00.....	\$14,187.50 plus 6.52% of the
21		excess over \$250,000.00
22	Over \$1,000,000.00 <b>but not</b>	
23	over \$5,000,000.00].....	\$63,087.50 plus <b>[9.12%]</b>
24	<u>10.9%</u>	of the excess over
25	\$1,000,000.00	
26	<b>[Over \$5,000,000.00 .....</b>	<b>\$427,887.50 plus 10.9% of the</b>
27		<b>excess over \$5,000,000.00].</b>

28 c. The amount of pass-through business alternative income tax  
 29 due from a pass-through entity in a taxable year shall be exclusive  
 30 of any amount of tax due and paid by the pass-through entity  
 31 pursuant to the "Corporation Business Tax Act (1945)," P.L.1945,  
 32 c.162 (C.54:10A-1 et seq.), during any privilege period, except as  
 33 otherwise provided in P.L.2019, c.320 (C.54A:12-1 et al.).

34 (1) A pass-through entity which elects to pay the pass-through  
 35 business entity income tax shall be included in a combined group,  
 36 as defined in subsection (z) of section 4 of P.L.1945, c.162  
 37 (C.54:10A-4), and file a New Jersey combined return pursuant to  
 38 the Corporation Business Tax Act, P.L.1945, c.162 (C.54:10A-1 et  
 39 seq.). A pass-through entity which elects to pay the pass-through  
 40 business entity income tax shall be excluded from a combined  
 41 group, as defined in subsection (z) of section 4 of P.L.1945, c.162  
 42 (C.54:10A-4), and from filing a New Jersey combined return  
 43 pursuant to the Corporation Business Tax Act, P.L.1945, c.162  
 44 (C.54:10A-1 et seq.) if the pass-through entity meets the following:  
 45 (a) all of the members of the pass-through entity are taxpayers  
 46 otherwise liable for the tax under the "New Jersey Gross Income  
 47 Tax Act," N.J.S.A.54A:1-1 et seq., and (b) no business entity taxed  
 48 as a corporation under the Corporation Business Tax Act, P.L.1945,

1 c.162 (C.54:10A-1 et seq.), has a direct, indirect, beneficial, or  
2 constructive ownership or control of the pass-through entity.

3 (2) Nothing shall prevent a group of pass-through entities under  
4 common ownership by an individual, estate, or trust, or a group of  
5 related individuals, estates, or trusts, from filing a composite or  
6 consolidated pass-through business entity income tax return. In  
7 determining whether the pass-through entities are under common  
8 ownership, the individual, estate, or trust, or a group of related  
9 individuals, estates, or trusts, must own more than 50 percent of the  
10 direct or indirect voting control of each pass-through entity;  
11 provided, however, section 318 of the federal Internal Revenue  
12 Code, 26 U.S.C. s.318, shall apply for determining voting control.

13 d. Pass-through entities whose members have made the  
14 business alternative income tax election shall file an entity tax  
15 return and make payments on or before the 15th day of the third  
16 month following the close of each entity's taxable year for federal  
17 income tax purposes. A pass-through entity shall make estimated  
18 entity tax payments on or before the 15th day of each of the fourth  
19 month, sixth month, and ninth month of the taxable year and on or  
20 before the 15th day of the first month succeeding the close of the  
21 taxable year.

22 e. A pass-through entity that overpays tax in one taxable year  
23 shall be allowed to apply the overpayment of tax to the subsequent  
24 taxable year's estimated entity tax payments. <sup>2</sup>

25 (cf: P.L.2019, c.320, s.3)

26

27 <sup>2</sup>~~[2.]~~ <sup>3</sup> <sup>2</sup> Section 5 of P.L.2019, c.320 (C.54A:12-5) is  
28 amended to read as follows:

29 5. a. <sup>2</sup>~~[~~Except as otherwise provided in paragraph (3) of  
30 subsection b. of section 3 of P.L.2019, c.320 (C.54A:12-3), a  
31 taxpayer shall be allowed a refundable gross income tax credit,  
32 pursuant to the "New Jersey Gross Income Tax Act," N.J.S.54A:1-1  
33 et seq., if the taxpayer is a member of a pass-through entity that  
34 elects to owe and pay the pass-through business alternative income  
35 tax determined pursuant to section 3 of P.L.2019, c.320 (C.54A:12-  
36 3) for the taxable year.

37 For each pass-through entity of which the taxpayer is a member,  
38 the amount of the credit shall equal the member's **[pro rata]** direct  
39 share of the tax paid pursuant to section 3 of P.L.2019, c.320  
40 (C.54A:12-3), which credit shall be applied against the gross  
41 income tax liability of the member in the taxable year.] Each  
42 member of a pass-through entity that elects to be liable for, and pay,  
43 the pass-through business alternative income tax pursuant to section  
44 3 of P.L.2019, c.320 (C.54A:12-3) for the taxable year shall be  
45 allowed a tax credit in the amount equal to the member's direct  
46 share of the tax paid pursuant to section 3 of P.L.2019, c.320  
47 (C.54A:12-3).

48 The credit allowed to each member of the pass-through entity  
49 shall be applied for the taxable year as follows:

- 1     (1) a member who is a natural person shall be allowed a  
2 refundable credit against the tax imposed under the "New Jersey  
3 Gross Income Tax Act," N.J.S.54A:1-1 et seq.:
- 4     (2) a member that is an estate or trust shall be allowed a  
5 refundable credit against the tax imposed under the "New Jersey  
6 Gross Income Tax Act," N.J.S.54A:1-1 et seq., which credit may be  
7 allocated to beneficiaries or may be used against the tax liability of  
8 the estate or trust;
- 9     (3) a member that is a corporation, other than an S corporation,  
10 shall be allowed a refundable credit against (a) the surtax imposed  
11 under section 1 of P.L.2018, c.48 (C.54:10A-5.41) or (b) the tax  
12 imposed under section 5 of P.L.1945, c.162 (C.54:10A-5);
- 13     (4) a member that is an S Corporation shall be allowed (a) a  
14 refundable credit against the tax imposed under the "New Jersey  
15 Gross Income Tax Act," N.J.S.54A:1-1 et seq., which credit shall be  
16 allocated among the shareholders of the corporation or (b) a  
17 refundable credit against the tax liability of the corporation, which  
18 credit may be applied against: (i) the surtax imposed under section  
19 1 of P.L.2018, c.48 (C.54:10A-5.41); (ii) the tax imposed under  
20 section 5 of P.L.1945, c.162 (C.54:10A-5); (iii) the tax imposed  
21 under subsection d. of section 4 of P.L.1993, c.173 (C.54:10A-  
22 5.23); or (iv) the tax imposed under section 3 of P.L.2019, c.320  
23 (C.54A:12-3); and
- 24     (5) a member that is an entity classified as a partnership for  
25 federal tax purposes shall be allowed (a) a refundable credit against  
26 the tax imposed under the "New Jersey Gross Income Tax Act,"  
27 N.J.S.54A:1-1 et seq., which credit shall be allocated among the  
28 partners of the partnership, or (b) a refundable credit against the tax  
29 liability of the partnership, which credit may be applied against: (i)  
30 the tax imposed pursuant to section 12 of P.L.2002, c.40  
31 (C.54:10A-15.11); (ii) the fee imposed pursuant to N.J.S.54A:8-6;  
32 or (iii) the tax imposed pursuant to section 3 of P.L.2019, c.320  
33 (C.54A:12-3).<sup>2</sup>
- 34     b. The credit allowed by this section shall be available after the  
35 application of all other credits allowed by law and claimed by the  
36 <sup>2</sup>["taxpayer"] member, or as applicable, the beneficiary of a member  
37 estate or trust, the shareholder of a member corporation, or the  
38 partner of a member partnership,<sup>2</sup> in the taxable year.
- 39     c. For a <sup>2</sup>["taxpayer that applies the credit available pursuant to  
40 this section to the tax due pursuant to N.J.S.54A:1-1,] member,<sup>2</sup> if  
41 the credit exceeds the amount of tax otherwise due, that amount of  
42 excess shall be an overpayment for the purposes of N.J.S.54A:9-7  
43 <sup>2</sup>or R.S.54:49-15, as appropriate<sup>2</sup>; provided however, that  
44 subsection (f) of N.J.S.54A:9-7 <sup>2</sup>and section 7 of P.L.1992, c.175  
45 (C.54:49-15.1)<sup>2</sup> shall not apply.
- 46     d. <sup>2</sup>["The credit allowed to any trust or estate pursuant to this  
47 section may be allocated to beneficiaries or be used against the tax  
48 liability of the estate or trust, in accordance with rules and

1 regulations adopted by the director.】 (Deleted by amendment,  
2 P.L. , c. ) (pending before the Legislature as this bill)

3 e. The director shall adopt regulations to allow the amount of  
4 the credit that shall be determined to be an overpayment for the  
5 purposes of N.J.S.54A:9-7 or R.S.54:49-15, as appropriate, to be  
6 applied against the estimated tax for a successive year.<sup>2</sup>

7 (cf: P.L.2019, c.320, s.5)

8  
9 <sup>2</sup>4. Section 11 of P.L.2019, c.320 (C.54:10A-5.43) is amended  
10 to read as follows:

11 11. Where the pass-through entity, which pays the pass-through  
12 business alternative income tax, is owned by both corporate  
13 members and non-corporate members, the corporate member shall  
14 be allowed a refundable tax credit against the surtax imposed  
15 pursuant to section 1 of P.L.2018, c.48 (C.54:10A-5.41) or the tax  
16 imposed under paragraph (1) of subsection c. of section 5 of  
17 P.L.1945, c.162 (C.54:10A-5), if the corporate member is a member  
18 of a pass-through entity that elects to owe and pay the pass-through  
19 business alternative income tax determined pursuant to section 3 of  
20 P.L.2019, c.320 (C.54A:12-3) for the taxable year; provided,  
21 however, the credit shall not reduce the corporate member's tax  
22 liability below the statutory minimum imposed under subsection e.  
23 of section 5 of P.L.1945, c.162 (C.54:10A-5). **【Any excess credit**  
24 **shall be carried over for a period of up to 20 privilege periods.】**

25 a. For each pass-through entity of which the corporate member  
26 is a member, the amount of the credit shall equal the member's  
27 share of the tax paid pursuant to section 3 of P.L.2019, c.320  
28 (C.54A:12-3), which credit shall be applied against the surtax or  
29 corporation business tax liability of the member during the  
30 member's privilege period.

31 b. The credit allowed by this section shall be taken as  
32 prescribed by the director. A taxpayer shall only claim a credit for  
33 payment of the pass-through business alternative income tax made  
34 by the entity that is applicable to the same tax year.

35 c. If the pass-through entity is unitary with both the corporate  
36 member and the member's combined group filing a New Jersey  
37 combined return for which the corporate member is included as a  
38 member, within the meaning of subsection (dd) of section 4 of  
39 P.L.1945, c.162 (C.54:10A-4) and section 23 of P.L.2018, c.48  
40 (C.54:10A-4.11), the credit shall be shareable for the purposes of  
41 subsection i. of section 18 of P.L.2018, c.48 (C.54:10A-4.6) and  
42 allowed to reduce the total surtax and total corporation business tax  
43 liability of the combined group but not the below the aggregate  
44 statutory minimum tax of the taxable members of the combined  
45 group.

46 d. If the pass-through entity is unitary with the corporate  
47 member, but not the member's combined group filing a New Jersey  
48 combined return for which the corporate member is included as a  
49 member, within the meaning of subsection (dd) of section 4 of

1 P.L.1945, c.162 (C.54:10A-4) and section 23 of P.L.2018, c.48  
2 (C.54:10A-4.11), the credit shall not be shareable for the purposes  
3 of subsection i. of section 18 of P.L.2018, c.48 (C.54:10A-4.6) but  
4 shall be allowed to reduce the total surtax and total corporation  
5 business tax liability of the corporate member derived from the  
6 corporate member's activities that are independent of the unitary  
7 business of the member's combined group.

8 e. An exempt corporate member that is a corporation exempt  
9 from tax pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3)  
10 shall be refunded the share of the tax paid by the pass-through  
11 entity on the exempt corporate member's distributive proceeds of  
12 the pass-through entity.

13 f. For the purposes of this section:

14 "Corporate member" means a member that is not an individual,  
15 an estate, or a trust subject to taxation pursuant to the "New Jersey  
16 Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is not a  
17 corporation exempt from the Corporation Business Tax Act  
18 pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3). A corporate  
19 member does not include another pass-through entity, including a  
20 New Jersey S Corporation.

21 "Exempt corporate member" means a member that is not an  
22 individual, an estate, or a trust subject to taxation pursuant to the  
23 "New Jersey Gross Income Tax Act," N.J.S.A. 54A:1-1 et seq. and  
24 that is a corporation exempt from the Corporation Business Tax Act  
25 pursuant to section 3 of P.L.1945, c.162 (C.54:10A-3).

26 "Noncorporate member" means, an individual, an estate or a trust  
27 subject to taxation pursuant to the "New Jersey Gross Income Tax  
28 Act," N.J.S.A. 54A:1-1 et seq.

29 "Pass-through entity member" means a member that itself is a  
30 pass-through entity, including a New Jersey S Corporation.

31 (cf: P.L.2019, c.320, s.11)<sup>2</sup>

32

33 <sup>25</sup>. Section 12 of P.L.2002, c.40 (C.54:10A-15.11) is amended  
34 to read as follows:

35 12. a. (1) A partnership that is not a qualified investment  
36 partnership or an investment club and that is not listed on a United  
37 States national stock exchange shall, on or before the 15th day of  
38 the fourth month succeeding the close of each privilege period,  
39 remit a payment of tax. The amount of tax shall be equal to the sum  
40 of: all of the share of the entire net income of the partnership for  
41 that privilege period of all nonresident noncorporate partners,  
42 multiplied by an allocation factor determined, pursuant to section 6  
43 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions  
44 of the partnership for that privilege period, and multiplied by .0637  
45 plus all of the share of the entire net income of the partnership for  
46 that privilege period of all nonresident corporate partners,  
47 multiplied by an allocation factor determined, pursuant to section 6  
48 of P.L.1945, c.162 (C.54:10A-6), based on the allocation fractions  
49 of the partnership for that privilege period, and multiplied by .09.



1 (2) (a) A partnership that is subject to the tax payment  
2 requirements of paragraph (1) of this subsection shall make  
3 installment payments of 25% of that tax on or before the 15th day  
4 of each of the fourth month, sixth month and ninth month of the  
5 privilege period and on or before the 15th day of the first month  
6 succeeding the close of the privilege period.

7 (b) A partnership required to make an installment payment  
8 pursuant to subparagraph (a) of this paragraph shall be deemed to  
9 make an installment payment subject to the provisions of section 5  
10 of P.L.1981, c.184 (C.54:10A-15.4) and shall be liable for any  
11 additions to tax provided thereunder.

12 (3) A partnership shall not be required to remit a payment of tax  
13 pursuant to paragraph (1) of this subsection for any nonresident that  
14 reasonably expects to be refunded the payment on account of a tax  
15 credit pursuant to section 5 of P.L.2019, c.320 (C.54A:12-5).

16 b. An amount of tax paid by a partnership pursuant to  
17 paragraph (1) of subsection a. of this section and an installment  
18 payment paid pursuant to subparagraph (a) of paragraph (2) of  
19 subsection a. of this section shall be credited to the partnership  
20 accounts of its nonresident partners in proportion to each  
21 nonresident partner's share of allocated entire net income and the  
22 multiplier rate for that partner class under subsection a. of this  
23 section, and each amount of tax so credited shall be deemed to have  
24 been paid by the respective partner in respect of the privilege period  
25 or taxable year of the partner. Provided, however, that only a  
26 nonresident partner who files a New Jersey tax return and reports  
27 income that is subject to tax in this State may apply the tax paid by  
28 the partnership and credited to the nonresident partner's partnership  
29 account against the partner's tax liability; and provided further that  
30 a partnership that pays tax pursuant to this section shall not be  
31 entitled to claim a refund of payments credited to any of its  
32 nonresident partners.

33 c. For the purposes of this section:

34 "Investment club" means an entity: that is classified as a  
35 partnership for federal income tax purposes; all of the owners of  
36 which are individuals; all of the assets of which are securities, cash,  
37 or cash equivalents; the market value of the total assets of which do  
38 not exceed, as measured on the last day of its privilege period, an  
39 amount equal to the lesser of \$250,000 or \$35,000 per owner of the  
40 entity; and which is not required to register itself or its membership  
41 interests with the federal Securities and Exchange Commission;  
42 provided that beginning with privilege periods commencing on or  
43 after January 1, 2003 the director shall prescribe the total asset  
44 value amounts which shall apply by increasing the \$250,000 total  
45 asset amount and the per owner \$35,000 amount hereinabove by an  
46 inflation adjustment factor, which amounts shall be rounded to the  
47 next highest multiple of \$100. The inflation adjustment factor shall  
48 be equal to the factor calculated by dividing the consumer price  
49 index for urban wage earners and clerical workers for the nation, as

1 prepared by the United States Department of Labor for September  
2 of the calendar year prior to the calendar year in which the privilege  
3 period begins, by that index for September of 2001;

4 "Nonresident noncorporate partner" means, an individual, an  
5 estate or a trust subject to taxation pursuant to the "New Jersey  
6 Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is not a resident  
7 taxpayer or a resident estate or trust under that act;

8 "Nonresident corporate partner" means a partner that is not an  
9 individual, an estate or a trust subject to taxation pursuant to the  
10 "New Jersey Gross Income Tax Act," N.J.S.54A:1-1 et seq., that is  
11 not a corporation exempt from tax pursuant to section 3 of  
12 P.L.1945, c.162 (C.54:10A-3), and that does not maintain a regular  
13 place of business in this State other than a statutory office; and

14 "Partner" means an owner of an interest in the partnership, in  
15 whatever manner that owner and ownership interest are designated.  
16 (cf: P.L.2014, c.13, s.2)<sup>2</sup>

17

18 <sup>2</sup>[3.] 6.<sup>2</sup> This act shall take effect <sup>2</sup>[immediately and apply  
19 retroactively to taxable years beginning on and after]<sup>2</sup> January 1,  
20 <sup>1</sup>[2020] <sup>2</sup>[2021<sup>1</sup>] 2022<sup>2</sup>.