



TaxNewsFlash

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New Jersey: Corporation business tax law changes enacted

New Jersey's governor on October 4, 2018, signed the following legislation:

- [Assembly Bill 4495](#) [PDF 616 KB] containing both technical corrections and substantive changes to the Corporation Business Tax (CBT) Act, as revised earlier this year
- [Assembly Bill 4496](#) [PDF 380 KB] establishing an economic nexus threshold for remote sellers and requiring certain marketplaces to collect tax on sales they facilitate (effective November 1, 2018)

The legislation includes measures to revise the effective dates for mandatory combined reporting and market-based sourcing; dividends-received deduction changes; related-party expense addback changes; rules concerning the taxation of GILTI and FDII-determined amounts of income; and maximum tax rules under combined reporting.

The legislation also represents the state's legislative response to the decision of the U.S. Supreme Court in *South Dakota v. Wayfair, Inc.* by establishing an economic nexus threshold for remote sellers and by imposing a requirement on certain electronic and physical marketplaces to collect sales tax on sales that they facilitate. The measures are effective November 1, 2018.

Read an [October 2018 report](#) [PDF 183 KB] prepared by KPMG LLP

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