



TaxNewsFlash

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New Jersey: Managerial member of combined group must register; registration portal is open

The New Jersey Division of Taxation on April 4, 2019, announced the opening of the “mandatory unitary combined reporting” (MUCR) registration portal.

MUCR is effective for tax years ending on or after July 31, 2019.

One of the requirements of MUCR is that the combined group designate a managerial member to act as an agent on behalf of the group and to perform certain functions such as filing returns and making estimated payments. The managerial member will also be required to respond to all notices and assessments.

Action steps

The opening of the portal means that it is now possible to designate the “managerial member” on behalf of the unitary combined group.

- When the common parent corporation is a taxable member of the combined group, the common parent will register as the group's managerial member.
- When the common parent corporation is not a taxable member of the combined group, then the combined group must select a taxable member of the group to register as the managerial member. The designation is binding for 10 tax years.

After the managerial member is determined, registration is accomplished by having the managerial member access the New Jersey Division of Revenue and Enterprise Services (DORES) website registration portal. Once the registration is complete, a New Jersey identification number specific to combined reporting will be generated. This number will serve as the combined group's tax identification number for all matters. The managerial member will use this unique combined reporting specific identification number to file the combined return, and payments will be applied to this number. Any overpayments credited to the combined group from a 2018 return will be applied to the combined group after the registration process is complete.

Members of the group, including the managerial member, are not to make payments under their pre-existing identification numbers, and no returns can be filed using the federal tax identification number. Therefore, taxpayers need to take particular note that once the managerial member receives the unique identification number, payments can no longer be made using the pre-existing tax identification number.

With respect to estimated payments, the announcement indicates:

Once registration is complete, all estimated payments must be made using the combined group's identification number.

The announcement also provides that more information regarding estimated tax payments and overpayment credits from 2018 tax returns will be forthcoming.

For more information, contact a tax professional with KPMG's State and Local Tax practice:

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