



TaxNewsFlash

United States



No. 2019-614
December 20, 2019

New Jersey: REITs, RICs, and investment companies excluded from unitary combined group for 2019 and beyond

New Jersey requires combined reporting for privilege periods ending on and after July 31, 2019.

The Division of Taxation in previously issued guidance (TB-86) addressed which entities are included and excluded from the combined group. The guidance included the language “for 2019” when referring to excluding real estate investment trusts (REITs), regulated investment companies (RICs), and investment companies from the unitary combined group. This guidance, however, created some uncertainty whether this was a 2019 only exclusion, or 2019 and later years.

The Division of Taxation this week, on December 16, 2019, issued a revised version of the guidance—[TB-86\(R\)](#) [PDF 102 KB]—to clarify that these entities are not excluded from the combined group for the 2019 tax year only.

Because REITs, RICs, and investment companies are excluded from the combined group, they are required to file separate returns if they have New Jersey nexus.

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