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BUSINESS ALERT

NEW BULK SALE NOTICE REQUIREMENT

Buyers or sellers of a business in New Jersey are now subject to more reporting responsibilities and remitting of "estimated tax" on the estimated gain on the sale.

On July 3, 2008, New Jersey issued Technical Bulletin TB-60. Although New Jersey has had "bulk sale" notice requirements for many years, the New Jersey regulations have increased the reporting responsibilities on both the "buyers" and "sellers" of a business and a responsibility for the remittance of "estimated tax".

The new regulations now impose more explicit reporting on the "buyer." The information is reported on Form C-9600. Failure to comply with the reporting requirements will result in penalties.

The new regulations also require the "seller" to file a new form, Asset Transfer Tax Declaration. This form is used to estimate the tax due on the sale. The New Jersey Division of Taxation will use this information to require the "buyer" to remit the "estimated tax" to New Jersey. The "seller" will then claim a credit for the estimated tax payment when they file their tax return.

The full version of Technical Bulletin TB-60 can be found by accessing the New Jersey Division of Taxation website at www.state.nj.us/treasury/taxation/. Once you are on the website, on the left side you will need to click Publications, from there click on Technical Bulletins.

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