

New Jersey: Net Deferred Tax Liability Deduction Form Must be Filed by July 1

Overview

Form DT-1 (Statement of Net Deferred Tax Liability Deduction), N.J. Div. of Tax. (5/8/20). According to the New Jersey Division of Taxation ("Division"), this form must be filed on or before July 1, 2020 and failure to do so will result in a loss of the net deferred tax liability deduction as "no extensions of time to file this statement will be granted." Form DT-1 and any accompanying riders should be electronically uploaded through the Division's "[New Jersey Online Notice Response Service \(NJ ONRS\)](#)," and the Division states that it will *not* accept paper copies through the mail. The Division also clarifies that submission of Form DT-1 "does not guarantee the deduction will be granted."

This requirement is pursuant to legislation enacted in 2018 [see [A.4202 2018](#)], and previously issued [Multistate Tax Alert](#) for more details on these 2018 law changes; see [A.4495 \(2018\)](#), and previously issued [Multistate Tax Alert](#) for more details on these 2018 law changes] that collectively mandates combined reporting for privilege periods ending on and after July 31, 2019 (beginning on and after August 1, 2018, if a full twelve-month privilege period of the managerial member begins August 1, 2018, and ends July 31, 2019) and incorporates a "special ASC-740 relief deduction" for eligible businesses that are adversely affected by the shift to combined reporting [see [Technical Bulletin TB-96: Net Deferred Tax Liability Deduction and Combined Returns](#), N.J. Div. of Tax. (2/24/20)].

Contacts:

If you have questions regarding Form DT-1 please contact any of the following Deloitte professionals:

Norm Lobins
Managing Director
Deloitte Tax LLP, Cleveland
+1 973.602.4226
nlobins@deloitte.com

Kevin Friedhoff
Senior Manager
Deloitte Tax LLP, Parsippany
+1 973.602.4216
kfriedhoff@deloitte.com

Mike Bryan
Managing Director
Deloitte Tax LLP, Philadelphia
+1 215.977.7564
mibryan@deloitte.com

For further information, visit our website at www.deloitte.com/us/multistatetax

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