



**INSTRUCTIONS FOR FORM 310  
HMO ASSISTANCE FUND TAX CREDIT**

The HMO Assistance Fund Tax Credit is available to health maintenance organizations that paid assessments to the New Jersey Health Maintenance Organization Assistance Association in accordance with Chapter 12, P.L. 2000 which was enacted on April 6, 2000. The total available credit is equal to 50% of the paid assessments for which a certificate of contribution was issued by the association. One-fifth of the credit amount can be taken in five consecutive privilege periods and is limited to 20% of the taxpayer's Corporation Business Tax liability. There is no carryover provision for this tax credit, however, taxpayers that cease doing business in New Jersey before the end of the five year period may claim any credit amounts not yet applied against its tax liability on its final return.

**SPECIFIC INSTRUCTIONS FOR FORM 310**

**PART I QUALIFYING ASSESSMENTS**

Qualifying assessments are those for which the taxpayer received a certificate of contribution and those that are permitted to be applied against the current return period's tax liability. The period covered by the tax return on which the credit is claimed must begin on or after the third calendar year commencing after the assessment was paid. The credit can be taken for five consecutive privilege periods. Only list assessments that meet these criteria along with the related payment dates.

**PART II CALCULATION OF ALLOWABLE CREDIT AMOUNT**

- a) The total and allowable HMO Assistance Fund Tax Credit is calculated in Part II. The amount of this credit cannot exceed 20% of the Corporation Business Tax liability otherwise due for the period covered by the return and shall not reduce the tax liability below the statutory minimum.
- b) The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	Minimum Tax	S Corporations with periods beginning on or after 1/1/2012:
Less than \$100,000	\$500.00	\$375.00
\$100,000 or more but less than \$250,000	\$750.00	\$562.00
\$250,000 or more but less than \$500,000	\$1,000.00	\$750.00
\$500,000 or more but less than \$1,000,000	\$1,500.00	\$1,125.00
\$1,000,000 or more	\$2,000.00	\$1,500.00

provided however that for a taxpayer that is a member of an affiliated or controlled group which has a total payroll of \$5,000,000 or more for the return period, the minimum tax shall be \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month.

- c) There is no carryover provision for this tax credit. Any credit amount remaining after the five consecutive privilege periods pass shall be forfeited.
- d) The priorities set forth in this Corporation Business Tax form follow Regulation N.J.A.C. 18:7-3.17.

**REFUNDS ISSUED BY THE NJ HMO ASSISTANCE ASSOCIATION**

Any refunds issued to the taxpayer by the association are deemed to be assessment amounts for which an HMO Assistance Fund tax credit was allowed. If the taxpayer claimed an HMO Assistance Fund tax credit on a New Jersey Corporation Business Tax Return, then the taxpayer shall pay 50% of the refund amount to the State of New Jersey up to the amount of tax credit claimed.