

# STATE OF NEW JERSEY

## DEPARTMENT OF TREASURY

## DIVISION OF TAXATION

### NEW PROCEDURES FOR DISSOLUTION, WITHDRAWAL, OR SURRENDER

**IMPORTANT NOTE:** The Division of Taxation in coordination with the Division of Revenue has revised the Dissolution, Withdrawal or Surrender procedures to simplify the dissolution/liquidation process. To begin with the dissolution filing process, corporations should submit all of the following to the **New Jersey Division of Revenue, Business Liquidations, PO Box 308, Trenton, NJ 08625-0308**.

1. Application for Tax Clearance Certificate (Form A-5088).
2. Certificate of Dissolution (Form C159-D) properly completed and signed.
3. Payment of all fees in the amount of **\$120.00** (includes \$25 statutory application fee and \$95 dissolution fee).
4. File returns for all years and/or periods for all applicable taxes (e.g. Corporation Business Tax, Sales & Use Tax, Employer Gross Income Withholding Tax, Business Personal Property Tax, etc.) for which returns have not been filed and pay any amounts that may be due for taxes, interest and penalties; and
5. File the Estimated Summary Tax Return (Form A-5052), with accompanying schedules, for the current year; and
6. Submit the affidavit, duly signed and sworn to by an officer of the corporation, as required by General Instruction #3 on the Estimated Summary Return.
7. THE FOLLOWING PERTAINS TO CORPORATION BUSINESS TAX: Schedule I, Estimated Summary Tax Return: Estimate entire net income from the day following the last accounting period for which the return is required to be filed to the proposed date dissolution, withdrawal or surrender will be completed. There must be included in such net income all profits derived through sale or exchange of capital or other assets if such profits are required to be reported for Federal Income Tax purposes. If taxpayer claims that certain gains or income are not recognized for federal income tax purposes, then it should submit proof of compliance with federal requirements. Submit copies of Federal Forms 966, 1120 and any other required schedule or data. In addition, taxpayer is required to provide a copy of corporate minutes authorizing dissolution with liquidation and distribution of assets or a copy of taxpayer's plan of liquidation if not included in said corporate minutes.
8. It is required that the Estimated Summary Tax Return be accompanied by a deposit payment unless the application is submitted with an Assumption of Tax Liability for all taxes due executed by a domestic corporation or a foreign corporation authorized to do business in New Jersey which meets one or more of the following requirements:
  - a. A corporation which owns 50% or more of the applicant's outstanding shares of capital stock; or
  - b. A corporation which has purchased or is about to purchase all, or substantially all of assets of the applicant.

**NOTE:** The assumption of liability by a corporation qualifying under (a) or (b) above must be accompanied by an opinion by an attorney-at-law of the State of New Jersey, who states he is familiar with the facts of the transaction and that the requirements for such exception have been met; or
  - c. A corporation which now has a net worth not less than ten times the amount of all taxes paid by the applicant corporation during the last complete year in which it filed tax returns with the State of New Jersey. Such assuming corporation must attach to the assumption a balance sheet as of the end of its last accounting period together with a notarized statement that there has been no subsequent decrease in the assuming corporation's net worth.
9. Once all taxes are paid, a Tax Clearance Certificate will be issued and forwarded to the Division of Revenue to record the dissolution/withdrawal.

**NOTE: FAILURE TO COMPLY WITH THE ABOVE WILL RESULT IN FORFEITURE OF ALL FEES.**
10. File final returns (Corporation Business Tax, Sales & Use Tax, Gross Income Withholding Tax, etc.) showing actual figures covering the current accounting and/or reporting periods, **WITHIN THIRTY DAYS OF THE ISSUANCE OF A TAX CLEARANCE CERTIFICATE.**

**PROCEDURE FOR MERGER OR CONSOLIDATION**  
(REQUIRED ONLY WHEN SURVIVOR IS A FOREIGN NON-AUTHORIZED CORPORATION)

1. File application for Tax Clearance certificate (as above) for all corporations (including the non-authorized survivor, merging non-survivors and merging non-authorized corporations) involved in merger, and make payment of the statutory application fee, with a separate check payable to the State of New Jersey, in the amount of \$25.00 for each certificate requested. Applications and checks should be mailed to State of New Jersey, Division of Taxation, Corporate Services Audit Group, PO Box 269, Trenton, NJ 08695-0269.
2. A statement in legal affidavit form, duly signed and sworn to by an officer of the corporation, must accompany the application for each non-authorized corporation, including the survivor. Said affidavit must state whether the applying corporation at any time maintained an office, conducted business, employed or owned capital in the State of New Jersey or derived income from any source within New Jersey.
3. Foreign corporations which have already merged in their State of domicile, should enclose with the applications a certified or true copy of the Certificate of Merger issued by the Secretary of State of the State of domicile.
4. New Jersey corporations and authorized foreign corporations merging into a non-authorized surviving corporation must comply with instructions 4 through 8 above (Procedure for Dissolution, Withdrawal, or Surrender).
5. Tax Clearance Certificates and Agreement of Merger must be filed with the Division of Revenue, Business Support Services Bureau together with requisite fees, not later than the expiration date indicated on the Tax Clearance Certificate, in order to complete the merger. Any information desired in connection with this aspect should be requested directly from the New Jersey Division of Revenue, Business Liquidations, PO Box 308, Trenton, NJ 08625-0308.
6. File final short period return(s) (Corporation Business Tax, Sales & Use Tax, Gross Income Withholding Tax, etc.) for each corporation involved in merger and subject to tax, covering the current accounting and/or reporting period(s) **WITHIN THIRTY DAYS FROM THE DATE TAXPAYER'S CERTIFICATE OF MERGER OR CONSOLIDATION IS FILED WITH THE OFFICE OF THE TREASURER.**

**SPECIAL NOTE:** Taxpayers desiring to merge, when the surviving corporation is either a New Jersey corporation or a foreign corporation authorized to do business in New Jersey, should directly contact the Division of Revenue, Business Liquidations, PO Box 308, Trenton, NJ 08625-0308 or call (609) 292-9292.

**PROCEDURE FOR REAUTHORIZATION OF A REVOKED CERTIFICATE OF AUTHORITY**

1. File application for a Tax Clearance Certificate including payment of \$25.00 statutory application fee and mail to the Division of Taxation, Corporate Services Audit Group A, PO Box 269, Trenton, NJ 08695-0269. Once all taxes are satisfied, a tax clearance certificate will be issued. Annual Reports should be updated with the Division of Revenue, PO Box 302, Trenton, NJ 08625-0302.
2. File the tax clearance certificate along with Application for Certificate of Authority with the Division of Revenue, PO Box 302, Trenton, NJ 08625-0302. If this application is already filed, tax clearance certificate will be forwarded directly to the Division of Revenue.