

THE CITY OF NEWARK



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PAYROLL TAX

TO ALL EMPLOYERS:

THIS BOOKLET CONTAINS THE FORMS AND INSTRUCTIONS NECESSARY FOR YOU TO FILE YOUR PAYROLL TAX RETURNS WITH THE CITY OF NEWARK. THE FIRST RETURN AND REQUIRED PAYMENT FOR 2011 ARE DUE ON OR BEFORE APRIL 30, 2011.

PLEASE READ THE INSTRUCTIONS CAREFULLY BEFORE COMPLETING YOUR TAX RETURNS.

IF YOU HAVE ANY QUESTIONS FEEL FREE TO CALL YOUR TAXPAYER ASSISTANCE SERVICE.

Director of Finance
City of Newark

TABLE OF CONTENTS

	Page
Instructions How to Complete the Quarterly Payroll Tax Form.....	1
Registration Form and Payroll Tax Return	2-5
Additional Information.....	6

WHERE TO MAIL FORMS

Employer Registration Reports, Quarterly Tax
Returns forms and required payments must be mailed to:
City of Newark – Payroll Tax
P.O. Box 15118
Newark, New Jersey 07192

WHERE TO RECEIVE ASSISTANCE

By telephone: (973) 733-3770
In person: **B-26**
Taxpayer Assistance Service
Division of Tax Abatement & Special Taxes
City of Newark
920 Broad Street, Room B-26
Newark, New Jersey 07102

INSTRUCTIONS FOR COMPLETING 2011 CITY OF NEWARK PAYROLL TAX FORM

Business Tax ID Number – Business tax ID number is either your Social Security number or your business Federal Employer Identification Number (FEIN).

Business Start Date – Enter date business began operations in the City of Newark.

Business Name – Fill in the legal name of the employer; if the employer is a subsidiary, report the name of the parent organization.

Business Address – The physical address of your business: Street Address, City, State and Zip Code.

Business Telephone Number – Enter your full business telephone number.

Email Address – Enter the corresponding business email address.

Business Closed/Sold Date – If your business has ceased operations in Newark, indicate the last day of operations under your ownership.

Number of Employees – Enter the number of employees.

1. Enter total wages, tips, and other compensation.

Total wages, tips and other compensation shall mean an amount equal to the total remuneration paid by an employer to employees which is subject to Federal Income Tax withholding by the employer for Federal income tax purposes for services rendered, other than domestic services in a private residence, if:

a. Services are performed within the City of Newark.

b. Services performed are supervised from within the City of Newark.

c. The principal location where employees report is within the City of Newark.

(If line 1 is less than \$2,500.00 enter the amount on line 1 and zero on line 3, sign, date and submit return).

2. Apportionment adjustment

In general, for 1.a, above all wages, tips and other compensation shall be attributed to the tax. Apportionment applies where payroll is incurred by reason of work performed or services rendered by an individual partly within and partly without the City. The portion of gross payroll subject to the Newark Payroll tax may be allocated as follows:

a. Total number of working hours employed within the City to the total number of working hours within and without the City.

b. Volume of business transactions in the City by an individual, to the volume of business by such individual within and without the City.

c. Case by case determination approved by the Director, based on impractical or unreasonable apportionment circumstances (e.g. unusual compensation)

d. Stable payroll percentage allocation based on facts relevant to the business (rescindable by the Director at any time)

1. Total Taxable Payroll: Enter amount on line 1 for the total wages, tips, and other compensation, if no apportionment. Otherwise, subtract apportionment – line 2, from line 1 and enter the remainder as Total Taxable Payroll.

2. **Calculate the amount of payroll tax due to the City by multiplying Line 3 by the Payroll Tax Rate of 1% (.01).** If line 3 is \$2,500 or less, enter \$0 on line 7, sign and date the form and mail to address on the return.

3. If payment is not received when due, enter a **Penalty** of one-half (1/2) of 1% of the amount of unpaid tax for each month or fraction of a whole month during the period in which the tax remains unpaid.

4. If payment is not received, enter **Interest** at the rate of 12% per annum on the amount of tax.

5. Enter **Total Amount Due** by adding Lines 4, 5, and 6. Make check payable to City of Newark - Payroll Tax.

Sign and date the return

ADDITIONAL INFORMATION

Who is excluded for filing?

The following organizations are not required to file:

- a. The government of the United States.
- b. The State of New Jersey or a county, municipality, school district or special district of the state.
- c. An interstate government agency
- d. An agency or instrumentality of any entity enumerated in a, b or c above.
- e. Any insurance company formed by authority of another state or foreign country, subject to the provisions of New Jersey statutes annotated N.J.S.A.14:32-15.

When are forms filed?

The quarterly Payroll Tax submitted the last day of the month following the end of the calendar quarter (**April 30th, July 31st, October 31st, January 15th**)

“Payroll” Defined

“Payroll” means an amount equal to the total remuneration paid by an employer to employees, which is subject to withholding by the employer for Federal income tax purposes for services, other than domestic services in a private residence. The Employer is responsible for the Payroll Tax.

Appeals

Any aggrieved employer may, within ninety (90) days after the mailing of any final notice regarding a decision, order, finding assessment, or action of the Director, appeal to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq. by filing a petition of appeal and upon payment of the amount stated by the Director to be due. The appeal provided by this section shall be the exclusive remedy available to any employer for review of a final decision of the Director in respect to a determination of liability for the tax imposed by this chapter. If no such appeal is filed on a timely basis, the aggrieved party waives his right to contest any element of the Director's adjudication, and that party's failure to challenge the same will be construed as an admission by that party as to the propriety of the Director's decision. No hearing or appeal will operate to suspend the accrual of penalty and interest from the date the tax was due to the date it is actual paid.

Amended Quarterly Payroll Tax Returns

An Amendment of a prior return (form PY-1 3) must be used for reporting changes to lines 1 through 7 on a Payroll Tax Return previously submitted. **The necessary forms are available upon request.**