

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

FORM 500
(7/08)

**NEW JERSEY
CORPORATION
BUSINESS TAX**



2008 NET OPERATING LOSS DEDUCTION

This Packet Contains:

Form 500
Instructions

General Information

This package contains Form 500 which will be used to compute the current return period's NOL deduction. Instructions are included.

P.L. 2002, C.40 (Business Tax Reform Act) disallows Net Operating Loss deductions for privilege periods beginning during calendar years 2002 and 2003. For any portion of NOL's which would have been deducted in such privilege periods, but were disallowed by the Business Tax Reform Act, and would have expired in such privilege periods, the expiration is extended by two years.

P.L. 2004, C.47 allows, for privilege periods beginning in 2004 and 2005, a Net Operating Loss deduction not to exceed 50% of entire net income. For any portion of NOL's which would have been deducted in such privilege periods, but were disallowed by P.L. 2004, C. 47, and would have expired in such privilege periods, the expiration is extended by a period equal to the period that the NOL deduction was disallowed.

A full Net Operating Loss deduction is allowed for privilege periods beginning on or after January 1, 2006.

COMPUTATION OF THE 2008 NOL DEDUCTION

Return period beginning _____ and ending _____

READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Current period NOL available - line 2 minus line 3 minus line 4				

6. Total of the amounts reported on line 5* _____

7. Enter the current period's entire net income _____

8. Current period's NOL deduction - enter the lesser of line 6 or line 7 here and on Schedule A, line 35 of the CBT-100 or the BFC-1, or line 39 of the CBT-100S . . . _____

* Include amounts reported on line 5 from any additional pages attached.

COMPUTATION OF 2008 NOL DEDUCTION

Return period beginning _____ and ending _____

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Current period NOL available - line 2 minus line 3 minus line 4				

1. Return period				
2. Entire net loss				
3. Portion of line 2 previously deducted				
4. Portion of line 2 that expired				
5. Current period NOL available - line 2 minus line 3 minus line 4				

INSTRUCTIONS

- Line 1 -** Beginning with return periods ending on or after July 31, 1995, enter the return periods that have a loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1, or on Schedule A, line 37 or 38 (whichever applies) of the CBT-100S. If space is insufficient to report all return periods, an additional page is included in this packet. The additional page may be reproduced as needed.
- Line 2 -** Enter the amount of the loss reported on Schedule A, line 34 of the CBT-100 or the BFC-1, or on Schedule A, line 37 or 38 (whichever applies) of the CBT-100S for each return period listed on line 1.
- Line 3 -** Enter that portion of the loss reported on line 2 that was deducted in a previous year.
- Line 4 -** Enter the amount of the NOL that has previously expired.
- Line 5 -** Subtract the amounts reported on lines 3 and 4 from the amount on line 2. This is the total amount of NOL available for deduction in the current year.
- Line 6 -** Enter the total of all amounts reported on line 5 from all pages completed.
- Line 7 -** Enter the amount from Schedule A, line 34 of form CBT-100 or form BFC-1, or line 38 of form CBT-100S.
- Line 8 -** Enter the lesser of line 6 or line 7 and report this amount on the appropriate line of the CBT-100, CBT-100S or BFC-1 form.