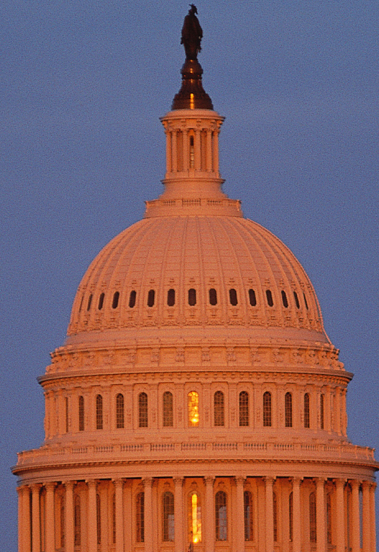




TaxNewsFlash

United States



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New Jersey: Transfer pricing settlement initiative program for corporate taxpayers

The New Jersey Division of Taxation announced a transfer pricing settlement initiative program for corporate taxpayers with related-party transactions potentially subject to adjustment.

Highlights of the program include the following:

- Eligible taxpayers include taxpayers currently under audit or notified of an upcoming audit; taxpayers with an administrative appeal pending at the Conference and Appeals Branch; and unidentified taxpayers. Taxpayers currently in litigation are not eligible.
- For taxpayers participating in the program, the Division of Taxation agrees to waive penalties, and “propose a settlement amount and methodology [applying the] principles in the regulations under Internal Revenue Code section 482 and N.J.A.C. 18:7-5.10.” Participating taxpayers will pay tax and interest on any amounts due and owing.
- Taxpayers must complete and submit the “Election to Participate” form by September 15, 2022, and provide the “required transfer pricing, tax, and financial information and documentation” by October 31, 2022.
- Participation in the program will be accomplished through a closing agreement between the taxpayer and the Division. The “Election to Participate” is nonbinding, and a taxpayer may opt out at any time prior to signing the closing agreement.

Read the [notice](#) [PDF 273 KB] announcing this initiative and the [“Election to Participate”](#) [PDF 170 KB].

Information about the program can also be found on the [program website](#).

For more information, contact a KPMG State and Local Tax professional:

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