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# 2016 New Jersey Revised Statutes

## Title 54A - NEW JERSEY GROSS INCOME TAX ACT

### Section 54A:4-1 - Resident credit for tax of another state

**Universal Citation:** [NJ Rev Stat § 54A:4-1 \(2016\)](#)

#### **54A:4-1. Resident credit for tax of another state**

54A:4-1. Resident credit for tax of another state. (a) A resident taxpayer shall be allowed a credit against the tax otherwise due under this act for the amount of any income tax or wage tax imposed for the taxable year by another state of the United States or political subdivision of such state, or by the District of Columbia, with respect to income which is also subject to tax under this act, except as provided by subsections (c) and (d) of this section.

(b) The credit provided under this section shall not exceed the proportion of the tax otherwise due under this act that the amount of the taxpayer's income subject to tax by the other jurisdiction bears to his entire New Jersey income.

(c) No credit shall be allowed against the tax otherwise due under this act for the amount of any income tax or wage tax imposed for the taxable year on S corporation income allocated to this State.

(d) No credit shall be allowed for the amount of any taxes paid or accrued for the taxable year on or measured by profits or income imposed on or paid on behalf of a person other than the taxpayer, whether or not the taxpayer may be held liable for the tax.

(e) Readjustment of the tax of another state or political subdivision thereof--if the taxpayer is allowed credit under this section for more or less of the tax of another state or political subdivision thereof than he is finally required to pay, the taxpayer shall send

notice of the difference to the director who shall redetermine the tax for any years affected regardless of any otherwise applicable statute of limitations.

L.1976, c.47, s. 54A:4-1; amended 1993,c.173,s.7.

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