

2010 Carteret Urban Enterprise Zone (UEZ) Annual Reporting Information

Dear Participating Carteret UEZ Business:

Your UEZ Annual Reporting package is enclosed for your completion and return to the Carteret UEZ Office. Here are several important opportunities for tax benefits and grants:

- ▶ **NJUEZ Sales Tax Benefits Summary – (Personal Property & Services)**
<http://www.ci.carteret.nj.us/content/57/210/551/default.aspx>
- ▶ **NJUEZ Taxation Info & Information Links**
www.state.nj.us/treasury/taxation/uez.shtml
- ▶ **Incentive Programs**
www.state.nj.us/njbusiness/financing/incentive
(Job Creation & Retention, Incentive, Tax Credit Programs, Workforce Training Grants, Technology)

UEZ Program Benefits

Sales and Use Tax Exemptions:

As a participating Carteret UEZ business you will be exempt from paying the State sales tax on certain products and services. After being approved by the State Urban Enterprise Zone office, you will receive a combined Urban Enterprise Exempt Purchase Permit and Exempt Qualified Business Permit UZ-4 and UZ-5 directly from the New Jersey Division of Revenue. **YOU CANNOT BEGIN USING THE EXEMPTION BENEFITS UNTIL YOU RECEIVE THIS PERMIT.**

You will also receive a **Contractor's Exempt Purchase Certificate UZ-4** and an **Urban Enterprise Exempt Purchase Certificate (UZ-5)**. These certificates may be reproduced and must be presented when tax exempt purchases are made. The purchases should be tracked on the **"Exempt Sales Tax Tracking Form"**; submitted with your Carteret UEZ re-certifications. Each year, pending annual reporting approval, you will receive updated permits and certificates. Summary of Sales Tax Benefits provides details on qualifying purchases.

Retailers Reduced Sales Tax:

Participating Carteret **retailers** are eligible to charge a reduced sales tax (3.5% rather than 7%) on certain merchandise. Use the **"Urban Enterprise Zone Tax Questions and Answers" Booklet** <http://www.state.nj.us/njbusiness/forms/TAXQU%202-7-08.pdf> for detailed information, and the **NJ Urban Enterprise Zone Program Summary of Sales Tax Benefits** for an explanation of qualifying sales. Before any retail business can collect the reduced sales tax, it must complete a NJ Division of Revenue UZ-1 form. If you are a retailer and wish to charge the reduced sales tax, contact the Carteret UEZ Office. The Division of Revenue will send you a Sales Tax Certificate of Authority for reduced sale collections (UZ-2). **DO NOT CHARGE THE REDUCED SALES TAX UNTIL YOU HAVE RECEIVED THIS CERTIFICATE!**

Employee Tax Credit:

Participating businesses that are **not warehousing or retail sales oriented** may be eligible for the employee tax credit. It is available to corporation subject to the Corporation Business Tax which hires certain new employees at the Carteret location after they have been certified into the program. The corporation may claim either a \$1,500 or \$500 credit for each new employee, provided certain employment criteria are met. Refer to the **"Urban Enterprise Zone Tax Questions and Answers" booklet** <http://www.state.nj.us/njbusiness/forms/TAXQU%202-7-08.pdf> for details on the credit, or speak to the Carteret UEZ Staff. To claim the credit, an employer must file a completed Form 300 (formerly Schedule U); with the New Jersey Corporation Business Tax Return (CBT-100). The credit is claimed on page one (1) of the return. Form 300 can be obtained through Taxpayer Information 609-588-2200. The Division of Taxation also has a "Tax-Fax" Line. Dial 609-826-4500 from your fax telephone and follow instructions.

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