

Client Alert.

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New Jersey Proposes Nexus Regulation

By **Craig B. Fields** and **Mitchell A. Newmark**

The New Jersey Division of Taxation's proposed regulation proposes to:

- (1) conform the existing regulations to the 2002 statute amendments (which expanded subjectivity when deriving receipts from New Jersey sources or engaging in contacts with New Jersey) to the extent allowed under the U.S. Constitution; and
- (2) memorialize the Division's expanded view of subjectivity for financial business corporations, banking corporations, and credit card companies (stating that its view applies the principles of the *Lanco* New Jersey and *MBNA* West Virginia decisions).

If adopted, the proposed regulation would be effective for tax periods beginning on or after January 1, 2002.

The comment period ends on April 8, 2011.

Please contact us for a copy of the proposed regulation.

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