Information on NJ Upcoming Filing Season

Billing of Accounts and Collection Process:

<u>In general, for Gross Income Tax/Individual:</u>

The Division of Taxation begins billing for the current tax year in May – although the bulk of the bills are sent beginning in June and July. Our bills are sent out in batches of 15,000 – so it may take several months for bills from the 2021 tax year to be released.

Income tax is billed twice, and a Federal Notice of Off-Set is issued before moving to our collection vendor for advanced collections. On average, this means that taxpayers who don't already have an open case with the collection vendor will pay within the first 6months to avoid the collection vendor.

<u>Business taxes:</u>

Taxation is starting to roll out a similar two bill process with business deficiencies.

One thing that is new – and businesses and practitioners may already be aware of – we are sending our business bills to our field Investigators first. Field Investigators will call, email, and visit businesses who were billed to attempt to educate the taxpayer and gain compliance. Accounts that are not resolved or cannot be contacted within 45 days will be sent to the collection vendor for further action.

CHAT

We are instituting a chat feature on our website – it should be up and running before the end of January. The content will build over time, but we hope this will offer taxpayers and preparers a quick solution to basic questions.

New computer system

We are moving through the protest phase of the procurement process and hope that we'll be bringing personnel from the winning vendor on site in late Spring. We are really excited by this long overdue upgrade to our legacy system. It will take 3-4 years before all of the taxes we administer will be switched over from our current mainframe system to this new web-based system. We'll be moving different taxes through – starting with the Sales Tax family – in phases.

What tax practitioners and taxpayers will see:

Portals to see "real time" accounts, upload documents, make immediate changes to your accounts. You'll be able to access a dashboard to see what and when returns and payments were made, what's missing or delinquent, who your assigned caseworker is and more.

For Taxation folks – we'll have a global view of taxpayer accounts; we'll see a taxpayer's history, current status, notes, contact information all in one place instead of using multiple mainframe conversations.

We expect that notifications will be issued more quickly and will not need as much manual interfacing as our current processes demand.