



## **SALT Alert! 2025-07: New Jersey Introduces Pilot Mediation Program for Corporate Business Tax (CBT) and Sales and Use Tax (S&U) Dispute Resolution**

The New Jersey Division of Taxation (Division) is introducing a Pilot Mediation Program that will run for two years from October 1, 2025, to September 30, 2027. The program will be available to all business entity types that are involved in CBT and S&U disputes amounting to at least \$5,000, excluding penalties and interest. The goal is to enable taxpayers to resolve tax issues without escalating them to the Conference and Appeal Branch of the Division or the New Jersey Tax Court.

Eligible taxpayers will be notified of the option to apply for mediation prior to the issuance of a final audit determination. Taxpayers in the program must consent to extend the statute of limitations for assessments, collections, and refunds for 210 days, which allows 180 days for mediation to proceed and 30 days for issuance of closing documents. Although penalties and interest are not considered in determining eligibility for the program, they may be the subject of mediation.

To apply for mediation, taxpayers or their representatives (with an executed Form M-5008-R, *Appointment of Taxpayer Representative*) must submit Form NJMED, *Application for Mediation*, a mediation contract, and a signed consent to extend the statute of limitations to the Mediation Administrator. The Division will provide a sample of the Form NJMED, the mediation consent/waiver form, and the contract for mediation in a future FAQ.

The mediation will be conducted by a trained mediator employed by the Division. The mediator will serve as an impartial facilitator to enable the parties to reach an agreement, will not advocate to sustain the Division's position, and may not impose a resolution to the issues on the parties. All agreements reached during mediation will be memorialized in a closing agreement. Participation in the program does not preclude a taxpayer from any statutory protest or appeal rights if the mediation is unsuccessful or if any matters remain unsettled at the close of mediation.

### **Resources**

For additional information regarding the New Jersey Pilot Mediation Program, please see [New Jersey Technical Bulletin 115](#) or the [April 21, 2025 TWIST](#).

### **Contacts**

For questions regarding the New Jersey Pilot Mediation Program, please contact [Jim Venere](#), [Andrew Eskola](#), [Stephen Carlozzi](#), or [Robert Weyman](#).