

NH-1120-WE SCHEDULE IA INSTRUCTIONS

Form NH-1120-WE is used for combined filing. Consolidated returns are not permitted. The purpose of Schedule I is to calculate the combined net income of the water's edge group.

Column A	US Consolidated - Enter the amounts from page 1 of the US consolidated return of the principal New Hampshire business organization, as defined in Rev 301.24.
Column B	Overseas Business Organizations Included in Column A - Enter the total of those business organizations included in the consolidated US corporate income tax return which qualify as overseas business organizations, as defined by RSA 77-A:1,XIX. These business organizations are included in part F of the NH-1120-WE, page 2, Affiliation Schedule.
Column C	Non-Unitary Corporations Included in Column A - Enter the total of those corporations included in the consolidated US corporate income tax return which are not part of the water's edge combined group, as defined in RSA 77-A:1, XV. These business organizations are included in part E of the NH-1120-WE, page 2.
Column D	Unitary Entities Not Included in Column A - Enter the total of those business organizations including corporations, partnerships, joint ventures, etc., which are part of the water's edge combined group but are not part of the consolidated US corporate income tax return reported in column A.
Column E	Combined Net Income - Enter in column E the total of column A less columns B and C, plus column D. This total represents the combined net income of the water's edge group. Enter on Form NH-1120-WE page 1, line 1(a) the amount from column E, line 28.

Supporting schedules in columnar form **must** be submitted for amounts in columns A through D which represent more than one entity, (e.g. the US consolidating schedule prepared for federal purposes would support column A). The supporting schedules must show intercompany eliminations as required by Rev. 307.07(c). Gross business profits calculation for business organizations that are included in a consolidated US corporate income tax return must reflect the adjustments required in Rev 302.09.

For the CALENDAR year **2000** or other tax year beginning _____ and ending _____
Mo Day Year Mo Day Year

Principal NH Business Organization
Federal Employer Identification Number

This schedule must be completed and submitted for all NH-1120-WE filers that have a Cost of Goods Sold and/or Operations.
 The amounts on this schedule are the components of the combined Cost of Goods Sold as entered on Schedule I, Column E, line 2.

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional section 263A costs (Attach schedule)	4a	
4b	Other costs (Attach schedule)	4b	
5	Total - (Add lines 1 through 4b)	5	
6	Inventory at end of year	6	
7	Cost of goods sold and/or operations - line 5 less line 6. Enter here and on Schedule I, Column E, line 2	7	

The NH-1120-WE Schedule IA is patterned after the United States Corporation Return Cost of Goods Sold Schedule (Form 1120, page 2, Schedule A). Therefore, all references and terminology are from the Internal Revenue Service.

The amounts to be entered on NH-1120-WE Schedule IA Cost of Goods Sold and/or Operations are for the New Hampshire combined group. The amount on line 7 must be the same as Schedule I, column E, line 2.