

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**BUSINESS ENTERPRISE TAX APPORTIONMENT FOR INDIVIDUAL  
 NEXUS MEMBERS OF A COMBINED GROUP**

For the CALENDAR year **2003** or other taxable period beginning \_\_\_\_\_ and ending \_\_\_\_\_  
 Mo Day Year Mo Day Year  
 COLUMN A COLUMN B COLUMN C

<b>SECTION I APPORTIONMENT FACTORS</b> (See General Instructions)		Name: FEIN	Name: FEIN	Name: FEIN
<b>Compensation and Wages Factor</b>	1 NH Compensation and Wages Paid or Accrued			
	2 Everywhere Compensation			
	3 COMPENSATION FACTOR (Line 1 divided by Line 2) Enter on Line 21	.	.	.
<b>Interest Factor</b>	4 Average of NH Property			
	5 Average of Everywhere Property			
	6 INTEREST FACTOR (Line 4 divided by Line 5) Enter on Line 26	.	.	.
<b>Dividend Factor</b>	7 NH Sales			
	8 Everywhere Sales			
	9 Sales Factor (Line 7 divided by Line 8)	.	.	.
	10 Subtotal (Sum of Lines 3, 6 and 9)	.	.	.
	11 DIVIDEND FACTOR (Line 10 divided by number of factors in subtotal) Enter on Line 15	.	.	.

**SECTION II BUSINESS ENTERPRISE TAX BASE APPORTIONMENT** (See General Instructions)

<b>Dividend Apportionment</b>	12 Dividends Paid			
	13 LESS: Dividend Deduction			
	14 Subtotal (Line 12 minus Line 13)			
	15 Dividend Apportionment Factor (From Line 11)	.	.	.
	16 Taxable Dividends (Line 14 multiplied by Line 15)			
	17 TOTAL TAXABLE DIVIDENDS (From Line 16. If negative enter zero)			
	17(a) Sum of Columns 17(A), 17(B), and 17(C). Enter this amount on Form BET-WE, Line 1: TOTAL 17(a)			
<b>Compensation and Wages Apportionment</b>	18 Everywhere Compensation Paid or Accrued			
	19 LESS: Retained Compensation			
	20 Subtotal (Line 18 minus Line 19)			
	21 Compensation Apportionment Factor (From Line 3)	.	.	.
	22 TAXABLE COMPENSATION (Line 20 multiplied by Line 21)			
	23 LESS: Dividend Offset			
	24 TOTAL TAXABLE COMPENSATION (Line 22 minus Line 23)			
	24(a) Sum of Columns 24(A), 24(B) and 24(C). Enter this amount on Form BET-WE, Line 2: TOTAL 24(a)			
<b>Interest Apportionment</b>	25 Interest Paid or Accrued			
	26 Interest Apportionment Factor (From Line 6)	.	.	.
	27 Taxable Interest (Line 25 multiplied by Line 26)			
	28 LESS: Dividend Offset			
	29 TOTAL TAXABLE INTEREST (Line 27 minus Line 28)			
	29(a) Sum of Columns 29(A), 29(B) and 29(C). Enter this amount on Form BET-WE, Line 3: TOTAL 29(a)			

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<b>WHO MUST APPORTION</b>	A business enterprise must apportion its enterprise value tax base if: <ul style="list-style-type: none"> <li>▪ its business activities are conducted both inside and outside New Hampshire, AND</li> <li>▪ the business enterprise is subject to a business privilege tax, a net income tax, a franchise tax based upon net income, or a capital stock tax in another state whether or not it is actually imposed by the other state.</li> </ul>
<b>SPECIFIC APPORTIONMENT QUESTIONS</b>	Questions regarding apportionment under the NH Business Enterprise Tax should be directed to: New Hampshire Department of Revenue Administration, Audit Division, PO Box 457, Concord, New Hampshire 03302-0457. Telephone: (603) 271-3400. For hearing or speech impaired individuals, call TDD Access: Relay NH 1-800-735-2964.
<b>LINE-BY-LINE INSTRUCTIONS</b>	
Enter the name and federal identification number of each nexus member at the top of each column. If additional columns are needed attach a schedule using the same format. Complete Lines 1 through 29 separately for each NH nexus member in the combined group. Note: BET nexus differs from BPT nexus. Public Law 86-272 does not apply to BET. See the General Instructions - who must file - for the filing threshold for each tax type.	
<b>SECTION I APPORTIONMENT FACTORS</b>	
<b>COMPENSATION AND WAGES FACTOR</b>	
<b>LINES 1 &amp; 2</b>	Enter on Line 1 the "NH" compensation and wages paid or accrued. Enter on Line 2 the "EVERYWHERE" compensation and wages paid or accrued.  "Compensation and wages" includes all wages, salaries, fees, bonuses, commissions or other payments paid or accrued, including deferred compensation, in the taxable period. This includes compensation on behalf of or for the benefit of employees, officers or directors of the business enterprise and subject to or specifically exempt from withholding under US Internal Revenue Code (IRC) Section 3401. Payments made expressly exempt from withholding under IRC Sections 3401(a) (1), (9), (10), (13), (14), (15), (16), (18), (19), and (20) should not be included.
<b>LINE 3</b>	Enter on Line 3 the amount of Line 1 divided by Line 2. Express this amount as a decimal to six places.
<b>INTEREST FACTOR</b>	
<b>LINES 4 &amp; 5</b>	Enter on Line 4 the average value of beginning and ending "NH" real and tangible personal property owned and employed. Enter on Line 5 the average value of beginning and ending "EVERYWHERE" real and tangible personal property owned and employed. Property includes all real and tangible personal property owned and employed by the business enterprise during the taxable period in the regular course of its trade or business. Leasehold improvements are treated as property owned by the business enterprise. Real and tangible personal property which is rented or leased is NOT included in the Business Enterprise Tax interest factor.  "Real and tangible personal property" includes land, buildings, improvements, equipment, merchandise or manufacturing inventories, leasehold improvements and other similar property that reflects the enterprise's business activities. Property shall be included if it is actually used or is available for use or capable of being used during the taxable period in the regular course of the trade or business of the enterprise. Property or equipment under construction during the taxable period, except inventoriable goods in process, shall be excluded until such property is actually used or available for use by the business enterprise in its regular trade or business.  Valuation of Owned Property: Property owned by the business enterprise must be valued at its original cost. "Original cost" is the basis of the property for federal income tax purposes at the time of acquisition, prior to any federal adjustments, and adjusted by subsequent sale, exchange, abandonment, etc. Inventory is included in accordance with the valuation method used for federal income tax purposes.  Average Value of Owned Property: The beginning and ending cost of owned property is used to determine the average cost for the property. Where fluctuations in values exist during the period or where property is acquired or disposed of during the period, a monthly average shall be used to prevent distortions. "Beginning of Period" means the start of the taxable period or when available for use.
<b>LINE 6</b>	Enter on Line 6 the amount of Line 4 divided by Line 5. Express this amount as a decimal to six places.
<b>DIVIDEND FACTOR</b>	
<b>LINE 7 &amp; 8</b>	Enter on Line 7 the "NH" sales. Enter on Line 8 the "EVERYWHERE" sales. Sales include: <ul style="list-style-type: none"> <li>▪ sales less returns and allowances,</li> <li>▪ interest, rents and royalties,</li> <li>▪ dividends which are not eligible for the dividend deduction under RSA 77-E:3, II and III,</li> <li>▪ capital gain income,</li> <li>▪ net gains or losses, and</li> <li>▪ other income unless the other income is properly includible as a reduction of an expense or allowance.</li> </ul>
<b>LINE 9</b>	Enter on Line 9 the amount of Line 7 divided by Line 8. Express this amount as a decimal to six places.
<b>LINE 10</b>	Enter on Line 10 the sum of the Lines 3, 6 and 9.
<b>LINE 11</b>	Enter on Line 11 the amount of Line 10 divided by 3. Express this amount as a decimal to six places. If there are only two "EVERYWHERE" factors, then divide by 2; if only one "EVERYWHERE" factor, divide by 1.

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 LINE-BY-LINE INSTRUCTIONS (continued)

<b>SECTION II BUSINESS ENTERPRISE TAX BASE APPORTIONMENT</b>	
<b>DIVIDEND APPORTIONMENT</b>	
<b>LINE 12</b>	Enter the amount of dividends paid. "Dividends" means any distribution of money or property, other than the distribution of newly issued stock of the same enterprise, to the owners of a business with respect to their ownership interest in such enterprise from accumulated revenues and profits of the enterprise. Per RSA 77-E:1, VI, the term "Dividends" does <b>NOT</b> include the following: <ul style="list-style-type: none"> <li>▪ Distributions of money or property to beneficiaries of a trust qualified under US Internal Revenue Code (IRC) Section 401;</li> <li>▪ Cash or non-cash payments of life, sickness, accident or other benefits to members or their dependents or designated beneficiaries from a voluntary employees' beneficiary association qualified under IRC Section 501(c) (9);</li> </ul> Distributions of money or property to participants from any common trust fund as defined under IRC Section 584; <ul style="list-style-type: none"> <li>▪ Policyholder dividends as defined under IRC Section 808, to the extent such dividends are not reduced pursuant to IRC Section 809;</li> <li>▪ Payment of interest on deposits of depositors of a mutual bank or credit union; or</li> <li>▪ Distributions of money or property to or on behalf of beneficiaries of a trust which is either subject to taxation under IRC Section 641 or described in IRC Section 664, provided that, this shall apply only to the extent that such trust limits its activities to personal investment activities which do not constitute business activities and those incidental to or in support of such personal investment activities.</li> </ul>
<b>LINE 13</b>	Enter the amount allowed for dividends received from members of an affiliated group of business enterprises, as provided in RSA 77-E:3, II and III. Include only those dividends which have previously been included in the payor corporation's taxable business enterprise value tax base, subject to taxation under the Business Enterprise Tax Law.
<b>LINE 14</b>	Enter the amount of Line 12 minus Line 13.
<b>LINE 15</b>	Enter the DIVIDEND FACTOR from Line 11.
<b>LINE 16</b>	Enter the product of Line 14 multiplied by Line 15. If negative, show in parenthesis e.g. (\$50).
<b>LINE 17</b>	If Line 16 is <b>negative</b> , enter <b>zero</b> on Line 17. If Line 16 is positive, enter the same amount on Line 17.
<b>LINE 17(a)</b>	<b>SUM OF LINES 17(A), 17(B) &amp; 17(C), FOR ALL NEXUS MEMBERS OF THE COMBINED GROUP ON LINE 17(a). IF ADDITIONAL COLUMNS WERE USED, INCLUDE THE SUM OF ALL COLUMNS IN THE TOTAL. ENTER THIS AMOUNT ON FORM BET-WE, LINE 1.</b>
<b>COMPENSATION AND WAGES APPORTIONMENT, INCLUDING DEFERRED COMPENSATION</b>	
<b>LINE 18</b>	Enter the amount of everywhere compensation paid or accrued, including deferred compensation for each respective nexus taxpayer. Include all wages, salaries, fees, bonuses, commissions or other payments paid or accrued in the taxable period. See Line 1 and 2 for definitions.
<b>LINE 19</b>	Enter the amount of any net earnings from self-employment which are retained and used for the reasonable needs of the enterprise. See Rev 2403.01 for further clarification.
<b>LINE 20</b>	Enter the amount of Line 18 minus Line 19.
<b>LINE 21</b>	Enter the COMPENSATION FACTOR from Line 3.
<b>LINE 22</b>	Enter the product of Line 20 multiplied by Line 21.
<b>LINE 23 and LINE 28</b>	If Line 16 is positive or 0, enter zero on Lines 23 and 28. If Line 16 is negative, then this amount may be applied on Line 23 to offset "TAXABLE COMPENSATION" or applied on Line 28 to offset "TAXABLE INTEREST". The amount entered on Line 23 cannot exceed the amount on Line 22. The amount entered on Line 28 cannot exceed the amount on Line 27. The sum of Lines 23 and 28 cannot exceed the amount on Line 16
<b>LINE 24(a)</b>	Enter the amount of Line 22 minus Line 23. <b>SUM LINE 24(A), 24(B) &amp; 24(C), FOR ALL NEXUS MEMBERS OF THE COMBINED GROUP ON LINE 24(a). IF ADDITIONAL COLUMNS WERE USED, INCLUDE THE SUM OF ALL COLUMNS IN THE TOTAL. ENTER THIS AMOUNT ON LINE 2 OF FORM BET-WE.</b>
<b>INTEREST APPORTIONMENT</b>	
<b>LINE 25</b>	Enter the amount of interest paid or accrued. Per RSA 77-E:1, XI, "Interest" means all amounts paid or accrued for the use or forbearance of money or property. The term "Interest" shall not include amounts paid, credited or set aside in connection with reserves by insurers to fulfill policy and contractual responsibilities to policy holders or by voluntary employees' beneficiary associations qualified under IRC Section 501(c) (9) to fulfill obligations to members.
<b>LINE 26</b>	Enter the INTEREST FACTOR from Line 6.
<b>LINE 27</b>	Enter the product of Line 25 multiplied by Line 26.
<b>LINE 28</b>	See instructions for Line 23.
<b>LINE 29(a)</b>	Enter the amount of Line 27 minus Line 28. <b>SUM OF LINES 29(A), 29(B) &amp; 29(C), FOR ALL NEXUS MEMBERS OF THE COMBINED GROUP ON LINE 29(a). IF ADDITIONAL COLUMNS WERE USED, INCLUDE THE SUM OF ALL COLUMNS IN THE TOTAL. ENTER THIS AMOUNT ON FORM BET-WE, LINE 3.</b>