

For the CALENDAR year 2003 or other taxable period beginning Mo Day Year and ending Mo Day Year

Due date for CALENDAR year is on or before April 15, 2004 or the 15th day of the 4th month after the close of the fiscal period.

YOU ARE REQUIRED TO FILE THIS FORM IF GROSS BUSINESS INCOME WAS GREATER THAN \$50,000.

STEP 1 Please Print or Type PROPRIETOR LAST NAME, FIRST NAME & INITIAL, SOCIAL SECURITY NUMBER, SPOUSE'S LAST NAME, FIRST NAME & INITIAL, SPOUSE'S SOCIAL SECURITY NUMBER, SINGLE MEMBER LIMITED LIABILITY COMPANY, DEPARTMENT IDENTIFICATION NUMBER

STEP 2 Figure Your Tax Husband and wife may NOT combine net results of separately held business organizations. Bonus Depreciation, COLUMNS A Proprietor Income, B Spouse's Income. 1 NET PROFIT (LOSS) FROM BUSINESS, 2 RENTAL INCOME (LOSS), 3 NET FARM PROFIT (LOSS), 4 NET GAIN (LOSS) FROM SALE OF ASSETS HELD FOR USE IN BUSINESS, FARMING AND/OR RENTAL PURPOSES, 5 INSTALLMENT GAIN (LOSS), 6 Gross Business Profits, 7 Compensation for Personal Services, 8 Subtotal, 9 NH Net Operating Loss Deduction, 10 Other Additions and Deductions per RSA 77-A:4, 11 Adjusted Gross Business Profits, 12 New Hampshire Apportionment, 13 New Hampshire Taxable Business Profits, 14 New Hampshire Business Profits Tax, 15 Credits, 16 Subtotal, 17 Business Enterprise Tax Credit, 18 Business Enterprise Tax Credit to be applied against Business Profits Tax, 19 (a) NH Business Profits Tax Net of Statutory Credits, (b) NH Business Profits Tax Net of Statutory Credits

Enter the amount from Line 19(b) on Line 1(b) of the BT-Summary. If you have completed this return it must be filed with the BT-Summary and all applicable federal schedules.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**PROPRIETORSHIP BUSINESS PROFITS TAX RETURN**  
LINE-BY-LINE INSTRUCTIONS

<b>STEP 1 Name and Social Security Number</b>	At the top of the return enter the beginning and ending dates of the taxable period if different than the calendar year. Single Member Limited Liability Companies (SMLLC) may not file a joint return with spouse. Please PRINT the taxpayer's name and social security number in the spaces provided. Joint returns must include spouse's name and social security number. Social security numbers are required pursuant to the authority granted by 42 USC, Section 405.
<b>NOTE</b>	Husband and wife may NOT combine net results of separately held business organizations. All applicable federal forms, schedules C, D, E, F, 4797, or 6252, as applicable, must be attached.
<b>STEP 2 Figure Your Tax</b>	<p>Line 1 <b>BONUS DEPRECIATION</b> Check the box and complete the appropriate Schedule R for each separate activity. <b>PROFIT (LOSS) FROM BUSINESS</b> Enter the total net income (loss) of all separately owned Schedule C business activities in the respective column indicating ownership. Please be sure to enter the net income (loss) from all of your separate business activities in your column and all of the net income (loss) from your spouse's separate business activities in the spouse's column. <b>SPOUSES JOINTLY OWNING AND OPERATING A SCHEDULE C BUSINESS ACTIVITY WILL BE PRESUMED TO BE A SINGLE PROPRIETORSHIP AND SHOULD REPORT THE TOTAL INCOME (LOSS) UNDER ONE COLUMN.</b> If a loss, show dollar amounts in parenthesis, e.g. (\$50). If any of the Schedule C activity is conducted outside New Hampshire, you must report on Line 1 the TOTAL net income (loss) from all Schedule C activity. You are also required to complete and file Form DP-80, Apportionment of Income. See Line 12 for further instructions on apportionment.</p> <p>Line 2 <b>RENTAL INCOME (LOSS)</b> Enter the total amount of rental income (loss) attributable to you and/or your spouse under the appropriate column. <b>SPOUSES JOINTLY OWNING OR SELLING RENTAL PROPERTY WILL BE PRESUMED TO BE A SINGLE PROPRIETORSHIP AND SHOULD REPORT THE TOTAL RENTAL INCOME (LOSS) UNDER ONE COLUMN.</b> If the rental income (loss) is derived from joint ownership and the other owner is not reporting on this form, attach a schedule showing the joint owner's name(s), social security number(s) and respective share of net income (loss). If rental property is owned both inside and outside New Hampshire, you must report on Line 2 the TOTAL net income (loss) from all rental property activity. You are also required to complete and file Form DP-80, Apportionment of Income. See Line 12 for further instructions on apportionment.</p> <p>LINE 2(a) Enter the total of Federal Form 1040, Schedule E, Line 22, columns A + B + C. Include only the Line 22 amounts attributable to rental activity; do not include royalty income or expenses.</p> <p>LINE 2(b) Enter the amount shown on Federal Form 4835, Net Farm Rental Profit (Loss), Line 32. If a loss, show dollar amount in parenthesis, e.g. (\$50).</p> <p>LINE 2(c) Enter the sum of Lines 2(a) and 2(b) on Line 2(c) separately for Column A and Column B.</p> <p>Line 3 <b>FARM INCOME (LOSS)</b> Enter the total amount of your net farm profit (loss) from Federal Form 1040, Schedule F, Line 36.</p> <p>Line 4 <b>NET GAIN (LOSS) ON SALE OF ASSETS FROM A BUSINESS, FARMING AND/OR RENTAL ACTIVITIES.</b></p> <p>Line 4(a) If you need additional space, please attach a schedule.</p> <p>and Column 1: Enter the description of property held or used for business as shown on Federal Form 1040, Schedule D or Form 4797, e.g. land, building, vehicle, etc.</p> <p>Line 4(b) Column 2: Enter the amount shown on Schedule D or Form 4797 as a gain (loss). If a loss, show dollar amount in parenthesis, e.g. (\$50). Column 3: Enter any amount which is attributable to an accumulated passive loss used to calculate the gain (loss) reported in Column 2. Column 4: Enter the total of Column 2 plus Column 3. Column 5: Enter the amount shown in Column 4 which is attributable to you. Column 6: Enter the amount shown in Column 4 which is attributable to your spouse.</p> <p>Line 4(c) Enter the total of Lines 4(a) and 4(b) on Line 4(c) separately for Column A and Column B.</p> <p>Line 5 <b>INSTALLMENT GAIN (LOSS)</b> Taxpayers who are reporting the sale of business assets on the installment basis for federal tax purposes must also use the installment method on Form NH-1040. Under certain conditions, an election can be made by using Form DP-95 to report the entire gain in the year of sale. Form DP-95 may be obtained by calling (603) 271-2192. Taxpayers who have sold business or rental property on the installment basis will be considered a business organization until all the installments have been reported and the total tax paid. You MUST file a return every year, regardless of the amount of installments, if the actual sales price exceeded \$6,000 for tax years ending prior to July 1, 1981, or \$12,000 for tax years ending July 1, 1981, through June 30, 1993, or \$50,000 for tax years ending July 1, 1993, and after.</p> <p>Line 5(a) If you need additional space, please attach a schedule.</p> <p>and Column 1 Enter the original date of the sale.</p> <p>Line 5(b) Column 2 Enter the taxable amount of gain or loss from Federal Form 6252 for this tax year. If a loss, show dollar amount in parenthesis, e.g. (\$50). Column 3 Enter any amount which is attributable to an accumulated passive loss used to calculate the gain (loss) reported in Column 2. Column 4 Enter the total of Column 2 plus Column 3. Column 5 Enter the amount shown in Column 4 which is attributable to you. Column 6 Enter the amount shown in Column 4 which is attributable to your spouse.</p> <p>Line 5(c) Enter the total of Lines 5(a) and 5(b) on Line 5(c).</p>

Instructions

**STEP 2**  
**Figure**  
**Your Tax**  
**(continued)**

Line 6	Combine Lines 1, 2(c), 3, 4(c) and 5(c) separately for Column A and Column B.
Line 7	<p><b>COMPENSATION FOR PERSONAL SERVICES</b></p> <p>Enter on Line 7 the dollar value of the services performed by the proprietor during the taxable period. Enter your compensation in Column A and enter your spouse's compensation in Column B. Compensation is only allowed for the proprietor who actually renders personal services to the business enterprise. The <b>MINIMUM</b> statutory deduction of \$6,000 is allowed for actual services rendered during the tax period even if such services are valued at less than \$6,000. RSA 77-A:4 limits the <b>MAXIMUM</b> compensation deduction to the sum of the following amounts included in your federal income tax schedules:</p> <ol style="list-style-type: none"> <li>(1) Net profit (loss) from Federal Form 1040, Schedule C;</li> <li>(2) Income (loss) from rental properties from Federal Form 1040, Schedule E;</li> <li>(3) Net farm profit (loss) from Federal Form 1040, Schedule F;</li> <li>(4) 15% of the sales price as shown on Federal Form 4797 or 6252 for the sale of business assets <u>provided</u> you acted as the broker or agent and no other broker or agent was involved in the sale of the property.</li> <li>(5) <b>In instances where the proprietor acts as a co-broker, the maximum deduction shall be the difference between the 15 percent of the actual sales price and the amounts paid to other brokers or agents.</b></li> </ol> <p>To determine the reasonableness of the compensation deduction, use comparative compensation data from business organizations of similar size, volume and complexity from industry statistics or from publications such as, but not limited to, The American Almanac of Jobs and Salaries or the New Hampshire Wages and Benefits Survey. <b>You must maintain adequate records to substantiate the activities performed by you and the methods used to determine the rate of compensation for such activities.</b></p>
Line 8	<p><b>SUBTOTAL</b></p> <p>Combine Line 6 and Line 7 separately for Column A and Column B. If a loss, show dollar amount in parenthesis, e.g. (\$50). If either column is negative, this amount represents the net operating loss (NOL) for you or your spouse available for future deduction. This amount [subject to the carryback and apportionment provisions and apportionment provisions pursuant to RSA 77-A:3, RSA 77-A:4, and Rev 303.03(d)], represent the net operating loss for future deductions.</p>
Line 9	<p><b>NH NET OPERATING LOSS DEDUCTION</b></p> <p>Enter the amount of carryforward loss available as shown on Line 11 of Form DP-132. A separate Form DP-132 must be filed for you and your spouse. Form DP-132 must be attached to the return.</p>
Line 10	<p><b>OTHER ADDITIONS AND DEDUCTIONS</b></p> <p>Enter in Column A the net total of all your other additions and deductions allowed or required under RSA 77-A:4. Enter the net total of your spouse's additions and deductions in Column B. Show negative amounts in parenthesis, e.g. (\$50).</p>
Line 11	<p><b>ADJUSTED GROSS BUSINESS PROFITS</b></p> <p>Combine Line 8 and Line 9 adjusted by Line 10. If negative, show in parenthesis e.g. (\$50).</p>
Line 12	<p><b>NEW HAMPSHIRE APPORTIONMENT</b></p> <p>Proprietorships which have business activity, including rental activity, both inside and outside this state AND which are subject to income taxes (or a franchise tax measured by net income) in another state, whether or not actually imposed by the other state, must apportion its gross business profits to New Hampshire by using Form DP-80, Apportionment of Income. If you and your spouse each conduct separate business activities both inside and outside New Hampshire, each must complete a separate Form DP-80. Be sure to identify your form by using your social security number and your spouse's form by using your spouse's social security number. Form DP-80 may be obtained from the web site at <a href="http://www.state.nh.us/revenue">www.state.nh.us/revenue</a> or by calling (603) 271-2192. After completing Form DP-80, enter the apportionment percentage on Line 12 of your Form NH-1040. Show to six decimal places. <b>All others enter 1.00 on Line 12.</b></p>
Line 13	Enter the product of Line 11 multiplied by Line 12. If negative, enter zero.
Line 14	Enter the product of Line 13 multiplied by 8.5%.

**STEP 3**  
**Figure**  
**Your**  
**Credits**

Line 15	<p><b>CREDITS:</b></p> <p>Enter the amount of credits allowed under RSA 77-A:5. <b>Form DP-160, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on Line 15.</b> If both you and your spouse are claiming credits on Line 15, then you must file two separate DP-160 Forms. Be sure to identify your form by using your social security number and your spouse's form by using your spouse's social security number. Form DP-160 may be obtained from our web site at <a href="http://www.state.nh.us/revenue">www.state.nh.us/revenue</a> or by calling (603) 271-2192. <b>DO NOT INCLUDE THE BET CREDIT ON THIS LINE.</b></p>
Line 16	Enter the amount of Line 14 minus Line 15.
Line 17	<p><b>BUSINESS ENTERPRISE TAX CREDIT</b></p> <p>Business Enterprise Tax paid shall be applied as a credit against Business Profits Tax. Any unused portion of the credit may be carried forward and allowed against Business Profits Tax due for up to 5 taxable periods from the period in which the Business Enterprise Tax was paid.</p> <p>To calculate the BET credit to be applied against this year's BPT, complete the BET Credit worksheet for both you and your spouse. The proprietor and spouse proprietor must calculate their BET Credits separately and should complete two separate BET Credit Worksheets.</p>

**PROPRIETOR BET CREDIT WORKSHEET**

	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended
A BET Credit Carryforward Amount <small>*See note below</small>	<input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>
B Current Period BET Liability From BET-Prop, Line 5(a)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C Expiring BET Credit Carryforward <small>**See note below</small>	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )
D BET Credit available <small>(Sum of Lines A, B and C) Enter on Line 17 of NH-1040</small>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E Current Period BPT liability From NH-1040, Line 16	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F BET Credit Deduction this period (the lesser of Line D or Line E) Enter on Line 18 of NH-1040	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G Credit Carryforward Amount (Line D minus Line F) IF NEGATIVE, ENTER ZERO. Carry this amount forward and indicate on Line A in subsequent period.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

\*Note: The Line A amount in the first column is from Line G, the credit carryforward amount, of the previous year's BET CREDIT WORKSHEET. If this is your initial year of the BET, enter zero.

\*\* Note: The BET credit may be carried forward and allowed against BPT taxes due for 5 (five) taxable periods from the period in which the tax was paid. Any unused credit prior to the 5 most current tax periods expiring in this taxable period is unavailable and should be included in Line C.

**SPOUSE PROPRIETOR BET CREDIT WORKSHEET**

	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended
A BET Credit Carryforward Amount <small>*See note below</small>	<input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>
B Current Period BET liability from BET-Prop, Line 5(a)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C Expiring BET Credit Carryforward <small>**See note below</small>	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )	( <input type="text"/> )
D BET Credit Available <small>(Sum of Lines A, B and C) Enter on Line 17 of NH-1040</small>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E Current Period BPT liability from NH-1040, Line 16	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F BET Credit Deduction this period (the lesser of Line D or Line E) Enter on Line 18 of NH-1040	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G Credit Carryforward Amount (Line D minus Line F) IF NEGATIVE, ENTER ZERO. Carry this amount forward and indicate on Line A in subsequent period.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

\*Note: The Line A amount in the first column is from Line G, the credit carryforward amount, of the previous year's BET CREDIT WORKSHEET. If this is your initial year of the BET, enter zero.

\*\* Note: The BET credit may be carried forward and allowed against BPT taxes due for 5 (five) taxable periods from the period in which the tax was paid. Any unused credit prior to the 5 most current tax periods expiring in this taxable period is unavailable and should be included in Line C.

<b>STEP 3 Figure Your Credits</b>	Line 18: Enter the lesser amount of Line 16 or Line 17. If Line 17 is greater than Line 16, then a "Business Enterprise Tax Credit" carryforward exists. Any unused portion of the current period's Business Enterprise Tax Credit may be carried forward and allowed against any Business Profits Tax due in a subsequent taxable period.
	Line 19: BUSINESS PROFITS TAX NET OF STATUTORY CREDITS (a) Enter the amount of Line 16 minus Line 18. (b) Enter the sum of Line 19(a) Columns A and B. <b>IF NEGATIVE, ENTER ZERO.</b> <b>ENTER THE AMOUNT FROM LINE 19(b) ON LINE 1(b) OF THE BT-SUMMARY.</b>