

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**NET OPERATING LOSS (NOL) DEDUCTION FOR COMBINED GROUPS**

**SEQUENCE #7**

**WHEN TO USE THIS FORM**

Use this form to detail the NOL carryforward amounts which comprise the current taxable period NOL deduction taken on NH-1120-WE.

For the CALENDAR year **2005** or other taxable period beginning \_\_\_\_\_ and ending \_\_\_\_\_  
Mo Day Year Mo Day Year

PRINCIPAL NEW HAMPSHIRE BUSINESS ORGANIZATION	FEDERAL EMPLOYER IDENTIFICATION NUMBER
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**NEW HAMPSHIRE NEXUS MEMBERS**

<b>COLUMN (A)</b> Ending date of tax year in which NOL occurred as calculated, per applicable statute and administrative rule.	<b>COLUMN (B)</b> NOL amount available for carryforward. See instructions for limitations.	<b>COLUMN (C)</b> Amount of NOL carry forward which has been used in taxable periods prior to this taxable period.	<b>COLUMN (D)</b> Amount of NOL to be used as a deduction in this taxable period.	<b>COLUMN (E)</b> Amount of NOL to carry forward to future taxable periods.
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NEXUS MEMBER NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER
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Mo Day Yr			Mo Day Yr			Mo Day Yr			Mo Day Yr		
1			1			1			1		
2			2			2			2		
3			3			3			3		
4			4			4			4		
5			5			5			5		
6			6			6			6		
7			7			7			7		
8			8			8			8		
9			9			9			9		
10			10			10			10		

11 Amount of NOL carryforward deduction for this nexus member (total of Column D) ... 11

NEXUS MEMBER NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER
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Mo Day Yr			Mo Day Yr			Mo Day Yr			Mo Day Yr		
1			1			1			1		
2			2			2			2		
3			3			3			3		
4			4			4			4		
5			5			5			5		
6			6			6			6		
7			7			7			7		
8			8			8			8		
9			9			9			9		
10			10			10			10		

11 Amount of NOL carryforward deduction for this nexus member (total of Column D) .... 11

12 Total of NOL carryforward deduction this taxable period ..... 12  This is the amount to be reported on NH-1120-WE.  
(Sum of each nexus members Line 11)

The sum of all nexus members (Line 12) is not to exceed the adjusted Gross Business Profits net of NOL deduction.  
**NOTE:** Column (B) less Column (C) should equal the sum of Column (D) plus Column (E). Use additional Forms DP-132-WE if you have NOL carryforward deduction(s) from more than two entities.

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**NET OPERATING LOSS (NOL) DEDUCTION FOR COMBINED GROUPS**  
 INSTRUCTIONS

**NOTE: This worksheet is applicable only when the combined group members are the same in all taxable periods. See Rev 303**

**If there are more than two New Hampshire nexus members of the combined group, attach additional Forms DP-132-WE.**

<b>Column (A)</b>	Enter the month, day, and year of each taxable period from which the NOL is being carried forward.												
<b>Column (B)</b>	<p>Enter the amount of the NOL which is available for carryforward purposes.</p> <p>For tax periods ending before July 1, 2005, the carryforward amount is computed by first carrying the loss back 3 years and then offsetting the loss by any profits during those three taxable periods. (However, the carryback cannot result in an amended return or a refund in those carry back years). If there is more than one New Hampshire nexus member in the combined group, then the carry back loss must be allocated in accordance with the New Hampshire Administrative Rules, Rev 303.03 in existence for that tax period.</p> <p>If a loss remains after carry back, offset and allocation (if any), then the remaining loss must be apportioned using the apportionment percentage of the loss period. The apportioned loss cannot exceed the following limits based on the tax period the loss was incurred: From July 1, 2003 to June 30, 2004, \$500,000 is the maximum amount that may be carried forward, and from July 1, 2004 to June 30, 2005, \$750,000 is the maximum amount that may be carried forward. Prior to July 1, 2003, the maximum amount that may be carried forward is \$250,000 for each member of the combined group.</p> <p>For tax periods ending on or after July 1, 2005, no carryback is required or allowed. In addition, the maximum amount that may be carried forward was increased to \$1,000,000.</p> <p>A net operating loss may be carried forward for the following number of years:</p> <table style="margin-left: 40px;"> <tr> <td>Tax Year Ending On or Before</td> <td>Carryforward</td> <td>Losses Incurred</td> </tr> <tr> <td>6/30/02</td> <td>5 year</td> <td>1/1/89 - 6/30/97</td> </tr> <tr> <td>Tax Year Ending On or After</td> <td>Carryforward</td> <td>Losses Incurred</td> </tr> <tr> <td>7/1/02</td> <td>10 year</td> <td>On or After 7/1/97</td> </tr> </table>	Tax Year Ending On or Before	Carryforward	Losses Incurred	6/30/02	5 year	1/1/89 - 6/30/97	Tax Year Ending On or After	Carryforward	Losses Incurred	7/1/02	10 year	On or After 7/1/97
Tax Year Ending On or Before	Carryforward	Losses Incurred											
6/30/02	5 year	1/1/89 - 6/30/97											
Tax Year Ending On or After	Carryforward	Losses Incurred											
7/1/02	10 year	On or After 7/1/97											
<b>Column (C)</b>	Enter the NOL amount that was claimed as a deduction in the prior taxable period(s).												
<b>Column (D)</b>	Enter only those amounts that will be claimed as a deduction this taxable period.												
<b>Column (E)</b>	Enter the excess amount(s) available for future deduction.												
<p>Administrative Rule Rev 303 of the New Hampshire Business Profits Tax includes guidance on how to compute NOL. The RSA's and administrative rules regarding NOL provisions (RSA 77-A:4,XIII and Rev 303.03) may be obtained from our web site at <a href="http://www.revenue.nh.gov">www.revenue.nh.gov</a> or by visiting any New Hampshire Depository Library or the New Hampshire State Library, 20 Park Street, Concord, NH 03301, where copies may be made for a fee. You may access our web site at <a href="http://www.revenue.nh.gov">www.revenue.nh.gov</a> or forms may be ordered for free 24 hours a day, 7 days a week by calling our forms line at (603) 271-2192. If you do not have access to the internet, or if you have specific questions concerning NOL provisions, please contact the Audit Division, 45 Chenell Drive, Concord, NH 03302-0457, telephone (603) 271-3400. Individuals who need auxiliary aids for effective communications in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.</p>													

### IMPORTANT - NOL DEDUCTIONS

<b>Carryforward</b>	A New Hampshire Net Operating Loss may be carried forward for 5 or 10 taxable periods following the loss year provided, however, that no loss amounts incurred prior to January 1, 1989 shall be used to calculate the NOL deduction.
<b>Carryback for taxable periods ending before July 1, 2005</b>	<p>For losses incurred for taxable periods ending before July 1, 2005, the following applied:</p> <ol style="list-style-type: none"> <li>(1) Any loss amount shall first be carried back to those taxable periods required by the Internal Revenue Code without application of the election in Section 172(b) (3) and applied to any income in the carryback tax periods, before any remaining loss is carried forward as a net operating loss deduction.</li> <li>(2) The carryback of losses as provided in (1) above shall result in neither an allowable net operating loss deduction in the carryback taxable periods nor a refund of previously paid taxes. Amended returns filed for such purposes shall be prohibited.</li> <li>(3) The business organization's failure to carryback net operating losses and apply them to the income of prior profitable taxable periods shall result in the loss being presumed to be fully absorbed in the carryback taxable periods.</li> </ol> <p>A law change which was effective for taxable periods ending on or after July 1, 2005 removed the regulations requiring carryback.</p>
<b>Apportionment</b>	The Net Operating Loss carryforward shall be apportioned pursuant to RSA 77-A:3, RSA 77-A:4, Rev 303.03 and Rev 304.