

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
BUSINESS ENTERPRISE TAX APPORTIONMENT

For the CALENDAR year **2007** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

SEQUENCE # 3

NAME		FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER OR DEPARTMENT IDENTIFICATION NUMBER	
SECTION I – APPORTIONMENT FACTORS See General Instructions			
Compensation and Wages Factor	1 New Hampshire Compensation and Wages Paid or Accrued	1	
	2 Everywhere Compensation and Wages Paid or Accrued	2	
	3 COMPENSATION FACTOR (Line 1 divided by Line 2) Enter this amount on Line 21 below. Express to six decimal places	3	•
Interest Factor	4 Average of New Hampshire Property	4	
	5 Average of Everywhere Property	5	
	6 INTEREST FACTOR (Line 4 divided by Line 5) Enter this amount on Line 26 below. Express to six decimal places	6	•
Dividend Factor	7 New Hampshire Sales	7	
	8 Everywhere Sales	8	
	9 Sales Factor (Line 7 divided by Line 8). Express to six decimal places.	9	•
	10 Subtotal (Sum of Lines 3, 6 and 9)	10	•
	11 DIVIDEND FACTOR Enter Line 10 divided by the number of factors in the subtotal. Enter this amount on Line 15 below. Express to six decimal places.	11	•
SECTION II – BUSINESS ENTERPRISE TAX BASE APPORTIONMENT See General Instructions			
Dividend Apportionment	12 Dividends Paid	12	
	13 LESS: Dividend Deduction	13	
	14 Subtotal (Line 12 minus Line 13)	14	
	15 Dividend Apportionment Factor (From Line 11 above)	15	•
	16 Taxable Dividends (Line 14 multiplied by Line 15) (If negative, show in parenthesis)	16	
	17 TOTAL TAXABLE DIVIDENDS (From Line 16.) IF NEGATIVE, ENTER ZERO. Enter this amount on Line 1, Form BET or Form BET-PROP	17	
Compensation and Wages Apportionment	18 Everywhere Compensation and Wages Paid or Accrued	18	
	19 LESS: Retained Compensation	19	
	20 Subtotal (Line 18 minus Line 19)	20	
	21 Compensation Apportionment Factor (From Line 3 above)	21	•
	22 Taxable Compensation (Line 20 multiplied by Line 21)	22	
	23 LESS: Dividend Offset	23	
	24 TOTAL TAXABLE COMPENSATION (Line 22 minus Line 23) Enter this amount on Line 2, Form BET or Form BET-PROP	24	
Interest Apportionment	25 Interest Paid or Accrued	25	
	26 Interest Apportionment Factor (From Line 6 above)	26	•
	27 Taxable Interest (Line 25 multiplied by Line 26)	27	
	28 LESS: Dividend Offset	28	
	29 TOTAL TAXABLE INTEREST (Line 27 minus Line 28) Enter this amount on Line 3, Form BET or Form BET-PROP	29	

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WHO MUST APPORTION	<p>A business enterprise must apportion its enterprise value tax base if:</p> <ul style="list-style-type: none"> Its business activities are conducted both inside and outside New Hampshire, AND 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, or is subject to the jurisdiction of another state to impose a net income tax or capital stock tax upon it, whether or not it is actually imposed by the other state.
NEED HELP	<p>Questions regarding apportionment under the New Hampshire Business Enterprise Tax should be directed to: NH DRA, Central Taxpayer Services, 45 Chenell Drive, Concord, New Hampshire 03301. Telephone: (603) 271-2191. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.</p>
LINE-BY-LINE INSTRUCTIONS	
Name and Identification Number	<p>At the top of the return enter the beginning and ending dates of the taxable period if different from the calendar year. Please PRINT the taxpayer's name, federal employer identification number, social security number, or department identification number in the spaces provided. Social security numbers are required pursuant to the authority granted by 42 U.S.C.S., Section 405. Wherever social security numbers or federal employer identification numbers are required, taxpayers who have been issued a DIN, shall use their DIN only, and not their SSN or FEIN.</p>
SECTION I APPORTIONMENT FACTORS	
COMPENSATION AND WAGES FACTOR	
LINE 1 & 2	<p>Enter on Line 1 the "New Hampshire" compensation and wages paid or accrued. Enter on Line 2 the "EVERYWHERE" compensation and wages paid or accrued.</p> <p>"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 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. For Proprietorships and Partnerships: The compensation amount entered on Line 18 should include the amount of any compensation deduction taken under the Business Profits Tax pursuant to RSA 77-A:4, III in the taxable period. The remainder, if any, of the guaranteed payments to partners reduced by the New Hampshire BPT Compensation for Personal Services deduction. It should also include any net earnings from self-employment subject to tax under IRC Section 1401 to the extent it was not included in the amount of any deduction taken under the Business Profits Tax pursuant to RSA 77-A:4, III in the taxable period.</p>
LINE 3	<p>Enter on Line 3 the amount of Line 1 divided by Line 2. Express this amount as a decimal to six places.</p>
INTEREST FACTOR	
LINES 4 & 5	<p>Enter on Line 4 the average value of beginning and ending "New Hampshire" 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.</p> <p>"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 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.</p> <p>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.</p> <p>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.</p>
LINE 6	<p>Enter on Line 6 the amount of Line 4 divided by Line 5. Express this amount as a decimal to six places.</p>
DIVIDEND FACTOR	
LINES 7 & 8	<p>Enter on Line 7 the "New Hampshire" sales. Enter on Line 8 the "EVERYWHERE" sales. Sales include:</p> <ul style="list-style-type: none"> sales less returns and allowances, interest, rents and royalties, dividends which are not eligible for the dividend deduction under RSA 77-E:3, II and III, capital gain income, net gains or losses, and other income unless the other income is properly includible as a reduction of an expense or allowance.
LINE 9	<p>Enter on Line 9 the amount of Line 7 divided by Line 8. Express this amount as a decimal to six places.</p>
LINE 10	<p>Enter on Line 10 the sum of the Lines 3, 6 and 9.</p>
LINE 11	<p>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.</p>

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 LINE-BY-LINE INSTRUCTIONS (continued)

SECTION II BUSINESS ENTERPRISE TAX BASE APPORTIONMENT

DIVIDEND APPORTIONMENT

LINE 12	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 NOT include the following: <ul style="list-style-type: none"> ▪ Distributions of money or property to beneficiaries of a trust qualified under Section 401 of US Internal Revenue Code (IRC). ▪ 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); ▪ Distributions of money or property to participants from any common trust fund as defined under IRC Section 584; ▪ Policyholder dividends as defined under IRC Section 808, to the extent such dividends are not reduced pursuant to IRC Section 809; ▪ Payment of interest on deposits of depositors of a mutual bank or credit union; or ▪ 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.
LINE 13	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.
LINE 14	Enter the amount of Line 12 minus Line 13.
LINE 15	Enter the DIVIDEND FACTOR from Line 11.
LINE 16	Enter the product of Line 14 multiplied by Line 15. If negative, show in parenthesis e.g. (\$50).
LINE 17	If Line 16 is negative , enter zero . If Line 16 is positive, enter this amount on Line 17. ENTER THE AMOUNT FROM LINE 17 ON LINE 1 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.

COMPENSATION AND WAGES APPORTIONMENT, INCLUDING DEFERRED COMPENSATION

LINE 18	Enter the amount of everywhere compensation paid or accrued, including deferred compensation. Include all wages, salaries, fees, bonuses, commissions or other payments paid or accrued in the taxable period. FOR PROPRIETORSHIPS AND PARTNERSHIPS: See Line 1 and 2 for definitions.
LINE 19	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.
LINE 20	Enter the amount of Line 18 minus Line 19.
LINE 21	Enter the COMPENSATION FACTOR from Line 3.
LINE 22	Enter the product of Line 20 multiplied by Line 21.
LINE 23 and LINE 28	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 can not exceed the amount on Line 16.
LINE 24	Enter the amount of Line 22 minus Line 23. ENTER THE AMOUNT FROM LINE 24 ON LINE 2 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.

INTEREST APPORTIONMENT

LINE 25	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.
LINE 26	Enter the INTEREST FACTOR from Line 6
LINE 27	Enter the product of Line 25 multiplied by Line 26.
LINE 28	See instructions for Line 23.
LINE 29	Enter the amount of Line 27 minus Line 28. ENTER THE AMOUNT FROM LINE 29 ON LINE 3 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.