

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
PROPRIETORSHIP BUSINESS PROFITS TAX RETURN

For the CALENDAR year **2008** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

SEQUENCE # 4A

Due date for CALENDAR year is on or before **April 15, 2009** or the 15th day of the 4th month after the close of the taxable period.

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

STEP 1 Print or Type	PROPRIETOR LAST NAME	FIRST NAME & INITIAL	SOCIAL SECURITY NUMBER
	SPOUSE/CU PARTNER'S LAST NAME	FIRST NAME & INITIAL	SOCIAL SECURITY NUMBER
	LIMITED LIABILITY COMPANY	DEPARTMENT IDENTIFICATION NUMBER	FEDERAL EMPLOYER IDENTIFICATION NUMBER

STEP 2
Figure Your Tax

CU Partners/Spouses may NOT combine net results of separately held business organizations.

**SCH R
IRC RECONCILIATION**

		COLUMN A Proprietor Income	COLUMN B Spouse/CU Partner's Income			
1	NET PROFIT (LOSS) FROM BUSINESS (From Federal Schedule C)..... <input type="checkbox"/> 1					
2	RENTAL INCOME (LOSS)					
	(a) Income (Loss) From Rental Activity (From Federal Schedule E)..... <input type="checkbox"/> 2(a)					
	(b) Net Farm Rental Profit (Loss) (Federal Form 4835, Line 32)..... <input type="checkbox"/> 2(b)					
	(c) TOTAL 2(c)					
3	NET FARM PROFIT (LOSS) (From Federal Schedule F)..... <input type="checkbox"/> 3					
4	NET GAIN (LOSS) FROM SALE OF ASSETS HELD FOR USE IN BUSINESS, FARMING AND/OR RENTAL PURPOSES (See instructions) Attach schedule if additional space is needed. (Federal Form 4797 or Schedule D)					
	(1) Description of Property	(2) Gain or Loss	(3) Accumulated Passive Loss	(4) Total Column 2 + 3	(5) Total Attributed To Proprietor	(6) Total Attributed To Spouse/CU Partner
(a)						
(b)						
(c) TOTAL						
5	INSTALLMENT GAIN (LOSS) (Federal Form 6252) (See instructions) Attach schedule if additional space is needed.					
	(1) Date of Original Sale Mo Day Year	(2) Gain or Loss	(3) Accumulated Passive Loss	(4) Total Column 2 + 3	(5) Total Attributed To Proprietor	(6) Total Attributed To Spouse/CU Partner
(a)						
(b)						
(c) TOTAL						
6	Gross Business Profits [Combine Lines 1, 2(c), 3, 4(c), and 5(c)] 6					
7	New Hampshire Net Operating Loss Deduction (Attach Form DP-132)..... 7	()	()			
8	Compensation for Personal Services (See worksheet and instructions) 8	()	()			
9	Other Additions and Deductions per RSA 77-A:4 (If negative, show in parenthesis.) 9					
10	Adjusted Gross Business Profits 10 (Combine Line 6 through Line 9. If negative, show in parenthesis.)					
11	New Hampshire Apportionment (Form DP-80, Line 5. Express as a decimal to 6 places.)..... 11 Interstate Proprietorships must apportion income—See DP-80 instructions.	.	.			
12	New Hampshire Taxable Business Profits (Line 10 x Line 11. If negative, enter zero.)..... 12					
13	New Hampshire Business Profits Tax (Line 12 x 8.5%) 13					
STEP 3 Figure Your Credits	14 Credits: allowed under RSA 77-A:5 as shown on Form DP-160 14					
	15 Subtotal (Line 13 minus Line 14) 15					
	16 Business Enterprise Tax Credit (See instructions)..... 16					
	17 Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of Line 15 or Line 16. See instructions) 17					
	18 (a) New Hampshire Business Profits Tax Net of Statutory Credits (Line 15 minus Line 17) .. 18(a)					
	(b) New Hampshire Business Profits Tax Net of Statutory Credits (Sum of Line 18(a), Columns A and B.)..... 18(b)					

ENTER THE AMOUNT FROM LINE 18(b) ON LINE 1(b) OF THE BT-SUMMARY.
THIS RETURN 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

STEP 1
NAME & SOCIAL SECURITY NUMBER

At the top of the return enter the beginning and ending dates of the taxable period if different from the calendar year.

PRINT the taxpayer's name, Social Security Number (SSN), Federal Employer Identification Number (FEIN), or Department Identification Number (DIN) in the spaces provided.

Enter spouse/CU Partner's name and SSN in the spaces provided for separate proprietorship only. Social Security Numbers are required pursuant to the authority granted by 42 U.S.C.S., Section 405. Wherever SSN's or FEIN's are required, taxpayers who have been issued a DIN, shall use their DIN only, and not SSN or FEIN.

NOTE

CU Partner/Spouses 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.

STEP 2 FIGURE YOUR TAX

LINE 1
IRC RECONCILIATION

Check the box and complete the appropriate Schedule R for each separate activity to reconcile federal taxable income to NH taxable income based on the IRC in effect on December 31, 2000.

PROFIT (LOSS) FROM BUSINESS

Enter the total net profit (loss) of all separately owned Schedule C business activities in the respective column. Be sure to enter the net profit (loss) from all of your separate business activities in your column and all of the net income (loss) from your spouse/CU Partner's separate business activities in the spouse/CU Partner's column. **SPOUSE/CU PARTNERS JOINTLY OWNING AND OPERATING A SCHEDULE C BUSINESS ACTIVITY WILL BE PRESUMED TO BE A SINGLE PROPRIETORSHIP AND SHOULD REPORT THE TOTAL PROFIT (LOSS) UNDER ONE COLUMN.** 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 profit (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.

LINE 2
RENTAL INCOME (LOSS)

Enter the total amount of rental income (loss) attributable to you and/or your spouse/CU Partner under the appropriate column. **SPOUSE/CU PARTNERS 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.** 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.

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.

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).

LINE 2(c)

Enter the sum of Lines 2(a) and 2(b) on Line 2(c) separately for Column A and Column B.

LINE 3
FARM PROFIT (LOSS)

Enter the total amount of your net farm profit (loss) from Federal Form 1040, Schedule F, Line 36.

LINE 4
NET GAIN (LOSS) ON SALE OF ASSETS FROM A BUSINESS, FARMING AND/OR RENTAL ACTIVITIES.

LINE 4(a) and LINE 4(b)

If you need additional space, attach a schedule.

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.

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/CU Partner.

LINE 4(c)

Enter the total of Lines 4(a) and 4(b) on Line 4(c) separately for Column A and Column B.

LINE 5
INSTALLMENT GAIN (LOSS)

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 or from our web site at www.nh.gov/revenue.

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 \$50,000 for taxable periods ending July 1, 1993, to the present.

LINE 5(a) and LINE 5(b)

If you need additional space, attach a schedule.

Column 1 Enter the original date of the sale.

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/CU Partner.

LINE 5(c)

Enter the total of Lines 5(a) and 5(b) on Line 5(c).

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

NEW HAMPSHIRE NET OPERATING LOSS DEDUCTION

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/CU Partner. Form DP-132 must be attached to the return.

LINE 8

**COMPENSATION FOR PERSONAL SERVICES
 (SEE COMPENSATION WORKSHEET)**

Enter on Line 7 the value of the services performed by the proprietor during the taxable period. Enter the proprietor's compensation in Column A and enter your spouse/CU Partner's compensation in Column B. Compensation is only allowed for the proprietor who actually renders personal services to the business organization. The **MINIMUM** statutory deduction of \$6,000 is allowed for actual services rendered during the current taxable period. RSA 77-A:4 limits the **MAXIMUM** compensation deduction to the sum of the following amounts included in your federal income tax schedules after you consider the amount of income attributable to the return on Business Assets and return on non-owner employees wages: Prop-Comp worksheet should be used to make this calculation.

- (1) Net profit (loss) from Federal Form 1040, Schedule C;
- (2) Income (loss) from rental properties from Federal Form 1040, Schedule E;
- (3) Net farm profit (loss) from Federal Form 1040, Schedule F;
- (4) Not to exceed 15% of the sales price as shown on Federal Form 4797 or 6252 for the sale of business assets provided you acted as the broker or agent and no other broker or agent was involved in the sale of the property.
- (5) **In instances where the proprietor acts as a co-broker, the maximum deduction shall be the difference between the amount to be determined in (4) above and the amounts paid to other brokers or agents.**

A business organization may utilize comparative compensation data from business organizations of similar size, volume and complexity from industry statistics or from publications such as the most current editions of the Occupational Outlook Handbook published by the US Department of Labor Statistics and available at www.bls.gov and the New Hampshire Wages and Benefits published by the New Hampshire Department of Employment Security and available at www.nhes.state.nh.us, as a reference point. **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.**

LINE 9

OTHER ADDITIONS AND DEDUCTIONS

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/CU Partner's additions and deductions in Column B. Show negative amounts in parenthesis, e.g. (\$50).

LINE 10

ADJUSTED GROSS BUSINESS PROFITS

Combine Lines 6 through 9. If negative, show in parenthesis e.g. (\$50).

LINE 11

NEW HAMPSHIRE APPORTIONMENT

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, or is subject to the jurisdiction of another state to impose a net income tax or capital stock tax upon it, 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/CU Partner 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/CU Partner's form by using your spouse/CU Partner's social security number. Form DP-80 may be obtained from the web site

at www.nh.gov/revenue 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. **All others enter 1.00 on Line 11.**

LINE 12

Enter the product of Line 10 multiplied by Line 11. If negative, enter zero.

LINE 13

Enter the product of Line 12 multiplied by 8.5%.

STEP 3

Figure Your Credits

LINE 14

CREDITS

Enter the amount of credits allowed under RSA 77-A:5. **Form DP-160, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on Line 14.** If both you and your spouse/CU Partner are claiming credits on Line 14, then you must file two separate DP-160 Forms. Be sure to identify your form by using your social security number and your spouse/CU Partner's form by using your spouse/CU Partner's social security number. Form DP-160 may be obtained from our web site at www.nh.gov/revenue or by calling (603) 271-2192.
DO NOT INCLUDE THE BET CREDIT ON THIS LINE.

LINE 15

Enter the amount of Line 13 minus Line 14.

LINE 16

BUSINESS ENTERPRISE TAX CREDIT

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.

To calculate the BET credit to be applied against this year's BPT, complete the BET Credit worksheet for both you and your spouse/CU Partner. The proprietor and spouse/CU Partner proprietor must calculate their BET Credits separately and should complete two separate BET Credit Worksheets.

STEP 3: FIGURE YOUR CREDITS

LINE 17

Enter the lesser amount of Line 15 or Line 16. If Line 16 is greater than Line 15, 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 18

BUSINESS PROFITS TAX NET OF STATUTORY CREDITS

- (a) Enter the amount of Line 15 minus Line 17.
- (b) Enter the sum of Line 18(a) Columns A and B. **IF NEGATIVE, ENTER ZERO. ENTER THE AMOUNT FROM LINE 18(b) ON LINE 1(b) OF THE BT-SUMMARY.**

PROPRIETOR BET CREDIT WORKSHEET

	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), Column A	<input type="text"/>				
C Expiring BET Credit Carryforward <small>**See note below</small>	(<input type="text"/>)				
D BET Credit available <small>(Sum of Lines A, B and C) Enter on Line 16, Column A of NH-1040</small>	<input type="text"/>				
E Current Period BPT liability From NH-1040, Line 15, Column A	<input type="text"/>				
F BET Credit Deduction this period (the lesser of Line D or Line E) Enter on Line 17, Column A of NH-1040	<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/CU PARTNER PROPRIETOR BET CREDIT WORKSHEET

	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), Column B	<input type="text"/>				
C Expiring BET Credit Carryforward <small>**See note below</small>	(<input type="text"/>)				
D BET Credit Available <small>(Sum of Lines A, B and C) Enter on Line 16, Column B of NH-1040</small>	<input type="text"/>				
E Current Period BPT liability from NH-1040, Line 15, Column B	<input type="text"/>				
F BET Credit Deduction this period (the lesser of Line D or Line E) Enter on Line 17, Column B of NH-1040	<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.