

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
**CORPORATE BUSINESS PROFITS TAX RECONCILIATION OF NEW
HAMPSHIRE GROSS BUSINESS PROFITS SCHEDULE R**

SEQUENCE #4B

For the CALENDAR year _____ or other taxable period beginning _____ and ending _____

NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER DEPARTMENT IDENTIFICATION NUMBER
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This Schedule R shall be used to reconcile the New Hampshire Gross Business Profits before Net Operating Loss and Special Deductions line of the federal corporate income tax return filed with the Internal Revenue Service to the federal income calculated using the Internal Revenue Code (IRC) in effect on **December 31, 2000**. The revised calculation of federal income shall be used for the New Hampshire Gross Business Profits on Line 1(a) of the NH-1120.

1	Federal Income (Loss) from business activities from return filed with IRS.....	1	<input style="width: 150px; height: 20px;" type="text"/>
2	Additions required to federal income:		
(a)	IRC Section 179 expense taken on federal return for assets placed in service during the current taxable period.....	2(a)	<input style="width: 150px; height: 20px;" type="text"/>
(b)	Bonus depreciation on assets acquired and placed in service after September 10, 2001, (Federal Form 4562)	2(b)	<input style="width: 150px; height: 20px;" type="text"/>
(c)	Current period depreciation reported on federal return for assets for which additional IRC Section 179 deductions were reported in any taxable period and/or for which bonus depreciation was reported in any taxable period.....	2(c)	<input style="width: 150px; height: 20px;" type="text"/>
(d)	Other amounts reported on federal return that need to be adjusted due to revisions to the IRC in effect on December 31, 2000.....	2(d)	<input style="width: 150px; height: 20px;" type="text"/>
(e)	Total additions [Sum of Line 2(a) through Line 2(d)]	2(e)	<input style="width: 150px; height: 20px;" type="text"/>
3	Deductions required from federal income: (The deductions allowed in this section are the deductions that would be allowed on assets placed in service in 2001 through 2008 using the IRC in effect pursuant to RSA 77-A.)		
(a)	IRC Section 179 expense allowed on assets placed in service during the current taxable period.....	3(a)	<input style="width: 150px; height: 20px;" type="text"/>
(b)	Current taxable period depreciation allowable for assets for which the bonus depreciation deductions reported for any taxable period and/or additional IRC Section 179 deductions for any taxable period reported on the federal return.....	3(b)	<input style="width: 150px; height: 20px;" type="text"/>
(c)	Other deductions required due to revisions to the IRC in effect on December 31, 2000	3(c)	<input style="width: 150px; height: 20px;" type="text"/>
(d)	Total deductions [Sum of Line 3(a) through Line 3(c)].....	3(d)	<input style="width: 150px; height: 20px;" type="text"/>
4	Adjustments required on sale of assets acquired and placed in service after September 10, 2001 on which additional IRC Section 179 expense was taken. (The federal calculation of any gain or loss on the sale of these assets must be adjusted to reflect the different New Hampshire basis for the assets.)		
(a)	Federal gain (loss) on sale of assets acquired and placed in service after September 10, 2001 on which the additional IRC Section 179 expense was taken.....	4(a)	<input style="width: 150px; height: 20px;" type="text"/>
(b)	Gross sales price for assets acquired and placed in service after September 10, 2001 on which the additional IRC Section 179 expense was taken, and sold in the current taxable period	4(b)	<input style="width: 150px; height: 20px;" type="text"/>
(c)	New Hampshire basis of assets acquired and placed in service after September 10, 2001 on which additional IRC Section 179 expense was taken, and sold in the current taxable period	4(c)	<input style="width: 150px; height: 20px;" type="text"/>
(d)	New Hampshire gain (New Hampshire loss) on sale of assets acquired and placed in service after September 10, 2001 on which additional IRC Section 179 expense was taken. [Line 4(b) minus Line 4(c)].....	4(d)	<input style="width: 150px; height: 20px;" type="text"/>
(e)	Total adjustments for sale of assets [Line 4(d) minus 4(a)].....	4(e)	<input style="width: 150px; height: 20px;" type="text"/>
5	Adjusted Taxable Income Line 1 plus Line 2(e) minus Line 3(d) plus Line 4(e) (Enter this amount on Line 1(a) of your New Hampshire Corporate Business Profits Tax return)	5	<input style="width: 150px; height: 20px;" type="text"/>

This schedule must be attached to your Corporate Business Profits Tax Return and you must check the box on the front of the return indicating **IRC Reconciliation**.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
**CORPORATE BUSINESS PROFITS TAX RECONCILIATION OF
 NEW HAMPSHIRE GROSS BUSINESS PROFITS SCHEDULE R**

LINE-BY-LINE INSTRUCTIONS

NAME & IDENTIFICATION 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, address, department identification number in the spaces provided. Wherever federal employer identification numbers are required, taxpayers who have been issued a DIN, shall use their DIN only, and not their FEIN.

INTERNAL REVENUE CODE (IRC) AND NEW HAMPSHIRE RECONCILIATION

The New Hampshire Legislature has not changed the current business tax laws to conform with the federal tax law changes. The Internal Revenue Code (IRC) reference remains the Code **in effect on December 31, 2000**. Therefore, if changes are used on your federal filing, business taxpayers must recalculate their New Hampshire gross business profits utilizing the applicable NH Schedule R. Schedule R has been provided in this booklet for each business entity type to assist businesses in recalculating their New Hampshire Gross Business Profits. The completed Schedule R must be filed with the corresponding New Hampshire Business Tax return.

LINE 1

If you file US Corporation Income Tax Return (IRS Form 1120), enter the amount from Line 28. If you file US Corporation Short-Form Income Tax Return (IRS Form 1120-A), enter the amount from Line 24. If you file US Corporation Income Tax Return for an S Corporation, enter the amount from Line 3 of the New Hampshire Form DP-120, "S" Corporation Gross Business Profits or Loss. If you are filing a different federal corporate income tax return and cannot locate the comparable line, contact the Central Taxpayer Services at (603) 271-2191.

LINE 2(a)

In the case of "S" Corporations, the amount entered on this line should not exceed the IRC Section 179 deduction allowed on New Hampshire Form DP-120, Line 1(h). Enter on Line 2(a) the amount from Line 12 on each Depreciation and Amortization form (IRS Form 4562).

LINE 2(b)

Enter on Line 2(b) the amounts from Lines 14 and 25 on each Depreciation and Amortization form (IRS Form 4562).

LINE 2(c)

Enter on Line 2(c) the amount of depreciation included within Lines 15, 17, 19, 20, 26(h) and 27(h) of any IRS Form 4562 relating to:

- Assets acquired and placed in service by the taxpayer after September 10, 2001 upon which the bonus depreciation was taken during any taxable period; and
- Assets acquired after December 31, 2000 for which an IRC Section 179 deduction was taken during any taxable period.

NOTE: If an asset had both the bonus depreciation and IRC Section 179 deductions taken during any taxable period, only include the amount of depreciation once for that asset.

LINE 2(d)

Enter other additions required due to revisions to the IRC in effect on December 31, 2000 and attach a brief description of the additions.

LINE 2(e)

Enter the sum of Line 2(a) through Line 2(d).

LINE 3(a)

Enter the amount of IRC Section 179 expense deduction that would have been allowed under the IRC in effect on December 31, 2000. The maximum allowed under that code was \$20,000.

LINE 3(b)

Using the general and alternative depreciation systems and the "Listed Property" depreciation regulations in effect under the IRC in effect on December 31, 2000, calculate the amount of the current taxable period depreciation on:

- Assets acquired and placed in service by the taxpayer after September 10, 2001 upon which the bonus depreciation was taken during any taxable period; and
 - Assets acquired after December 31, 2000 for which an IRC Section 179 deduction was taken during any taxable period.
- Add the amounts determined above together and enter the total on Line 3(b). **NOTE:** The Federal Depreciation and Amortization form (IRS Form 4562 - 2000) or a supplemental depreciation schedule may be used to calculate the amount.

LINE 3(c)

Enter other deductions required due to revisions to the IRC in effect on December 31, 2000 and attach a brief description of the deductions.

LINE 3(d)

Enter the sum of Lines 3(a) through Line 3(c).

LINE 4

Lines 4(a) through Line 4(d) need to be completed only when assets acquired and placed in service after September 10, 2001 upon which bonus depreciation was taken on assets which additional IRC Section 179 expense was taken are disposed of before they have been fully depreciated under both the Federal and New Hampshire depreciation methods. The assets will have a different basis for Federal and New Hampshire purposes until they are fully depreciated, under both methods, creating a different calculation of gain or loss.

LINE 4(a)

Using the line on Federal Form 1120, 1120-A or 1120-S or their supporting schedules that pertains to current taxable period Net Gain (Loss) from Form 4797 and/or Form 1120S, Schedule K, enter the amount that pertains to sales of business assets on which additional IRC Section 179 deductions were reported in any taxable period and/or for which bonus depreciation was reported in any period.

LINE 4(b)

Enter the total amount of the gross sales prices from the Federal Form 4797 and/or Form 1120S, Schedule K on assets described in Line 4 above that were sold in the taxable period.

LINE 4(c)

Determine the amount of the New Hampshire basis for the assets described in Line 4 above which were sold in the taxable period and add the related selling expenses. Enter the amount on Line 4(c). The New Hampshire basis is the original cost to acquire the asset plus the cost of any improvements reduced by the amount of IRC Section 179 and depreciation expenses allowed by New Hampshire under the Business Profits Tax. The IRC Section 179 and depreciation expenses are determined using the IRC in effect on December 31, 2000. Refer to the instructions for Lines 3(a) and 3(b) to calculate the amount of allowable IRC Section 179 expense and depreciation.

LINE 4(d)

Subtract the amount entered on Line 4(c) from the amount entered on Line 4(b) and enter that amount on Line 4(d).

LINE 4(e)

Total New Hampshire adjustment for sale of assets Line 4(d) minus Line 4(a).

LINE 5

Enter Line 1 plus Line 2(e) minus Line 3(d) plus 4(e) on Line 5 and enter this same amount on Line 1(a) of your New Hampshire Business Profits Tax Return.

Reminder - This schedule must be attached to your Corporation Business Profits Tax Return.