

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
NET OPERATING LOSS (NOL) DEDUCTION

For the CALENDAR year **2004** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

SEQUENCE # 7

NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
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WHEN TO USE THIS FORM Use this form to detail the NOL carryforward amounts which comprise the current tax period NOL deduction taken on Form NH-1040, NH-1041, NH-1065 or NH-1120. This form must be attached to the NH tax return in the taxable period the NOL deduction is claimed.

COLUMN (A) Ending date of taxable period in which NOL occurred.			COLUMN (B) NOL amount available for carryforward, from NOL Worksheet, Line 10 See instructions for limitations.			COLUMN (C) Amount of NOL carryforward which has been used in taxable periods prior to this Taxable period.			COLUMN (D) Amount of NOL to be used as a deduction in this taxable period.			COLUMN (E) Amount of NOL to carryforward to Future taxable period. See instructions For limitations.		
Mo	Day	Yr												
1			1			1			1			1		
2			2			2			2			2		
3			3			3			3			3		
4			4			4			4			4		
5			5			5			5			5		
6			6			6			6			6		
7			7			7			7			7		
8			8			8			8			8		
9			9			9			9			9		
10			10			10			10			10		

11 Amount of NOL carryforward deducted this taxable period.
(Sum of Column D, Lines 1-10)

This is the amount to be reported on the applicable Business Profits Tax return. This amount cannot exceed the NH Adjusted Gross Business Profits before the NOL deduction.

NOTE: Column (B) less Column (C) should equal the sum of Column (D) plus Column (E).

Column (A)	Enter the month, day, and year of each taxable period from which the NOL is being carried forward.
Column (B)	Enter the amount of the NOL which is available for carryforward purposes. Per RSA 77-A:4, XIII, the carryforward amount is computed by first carrying the loss back three years and then offsetting the loss by any profits during those 3 tax periods. (However, no NOL deduction is allowed in those carryback years). For example: Tax Year Ending On or Before Carryforward Losses Incurred 6/30/02 5 year 1/1/89 - 6/30/97 For example: Tax Year ending on or After Carryforward Losses Incurred 7/1/02 10 year On or After 7/1/97 If a loss remains after carryback and offset, 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. 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.
Column (C)	Enter the NOL amount that was claimed as a deduction in the prior taxable period(s).
Column (D)	Enter only those amounts that will be claimed as a deduction this taxable period.
Column (E)	Enter the excess amount(s) available for future deduction.

Administrative Rule Rev 303 of the NH 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 www.revenue.nh.gov 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. Forms may be ordered for free 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.

Carryforward - A NH Net Operating Loss may be carried forward for five or after July 1, 2002, ten 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. **Carryback** - Carryback Of Loss Required. For purposes of calculating the amount of any net operating loss deduction allowed under RSA 77-A:4, XIII, Section 172 of the Internal Revenue Code in effect on December 31, 1996 shall be followed, except that: (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. (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. (3)The business organization's failure to carry back 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. **NOL Apportionment** -The Net Operating Loss carryforward shall be apportioned pursuant to RSA 77-A:3, RSA 77-A:4, Rev 303.03 and Rev 304.