

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

SEQUENCE #4A

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

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|------|------|
| Name | FEIN |
|------|------|

This Schedule R shall be used to reconcile the Taxable Income before Net Operating Loss and Special Deductions line of the federal 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 NH Combined Gross Business Profits Taxable Income on Line 1(a) of the NH-1120-WE.

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|---|--|------|----------------------|
| 1 | Federal combined taxable net income before net operating loss deduction and special deductions (from Line 9 of NH-1120-WE, Schedule I) | 1 | <input type="text"/> |
| 2 | Additions required to federal income for members included in combined return: | | |
| | (a) IRC Section 179 expense taken on federal return for assets placed in service during the current taxable period | 2(a) | <input type="text"/> |
| | (b) Bonus depreciation on assets acquired after September 10, 2001 (Federal Form 4562) | 2(b) | <input type="text"/> |
| | (c) Current period depreciation reported on federal return for assets for which additional Section 179 deductions were reported in any taxable period and/or for which bonus depreciation was reported in any taxable year | 2(c) | <input type="text"/> |
| | (d) Other amounts reported on federal return that need to be eliminated due to revisions to the IRC in effect on December 31, 2000. | 2(d) | <input type="text"/> |
| | (e) Total additions (Sum of Line 2(a) through Line 2(d) | 2(e) | <input type="text"/> |
| 3 | Deductions required from federal income for members included in combined return: (The deductions allowed in this section are the deductions that would be allowed on assets placed in service in 2001 through 2004 using the IRC in effect on <u>12/31/2000</u> .) | | |
| | (a) IRC Section 179 expense allowed on assets placed in service during the current taxable period | 3(a) | <input type="text"/> |
| | (b) Current year depreciation allowable for assets for which the bonus depreciation deductions were reported for any period and/or additional IRC Section 179 deductions for any period were reported on the federal return | 3(b) | <input type="text"/> |
| | (c) Other deductions required due to revisions to the IRC in effect on December 31, 2000 | 3(c) | <input type="text"/> |
| | (d) Total deductions [Sum of Line 3(a) through Line 3(c)] | 3(d) | <input type="text"/> |
| 4 | Adjustments required for members included in combined return on sale of assets acquired after September 10, 2001 or 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 state basis for the assets.) | | |
| | (a) Deduct federal gain (add loss) on sale of assets acquired after September 10, 2001 or on which the additional IRC Section 179 expense was taken | 4(a) | <input type="text"/> |
| | (b) Gross sales price for assets acquired after September 10, 2001, or on which the additional IRC Section 179 expense was taken, and sold in the current taxable period | 4(b) | <input type="text"/> |
| | (c) NH basis of assets acquired after September 10, 2001, or on which the additional IRC Section 179 expense was taken, and sold in current taxable period | 4(c) | <input type="text"/> |
| | (d) Add NH gain (deduct loss) on sale of assets acquired after September 10, 2001 or on which the additional IRC Section 179 expense was taken. [Line 4(b) minus Line 4(c)] | 4(d) | <input type="text"/> |
| 5 | Adjusted Combined Income for members included in combined return. (Enter this amount on Line 1(a) of your NH Combined Business Profits Tax return) | 5 | <input 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 **Bonus Depreciation**.

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LINE-BY-LINE INSTRUCTIONS

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|------------------|---|
| LINE 1 | Enter the amount from the New Hampshire form Summary of Combined Net Income Line 9 of NH-1120-WE, Schedule I. |
| LINE 2(a) | For all members of the combined group enter on Line 2(a) the amount from Line 12 on each Depreciation and Amortization form (IRS Form 4562 - Rev 3-2002). |
| LINE 2(b) | For all members of the combined group enter on Line 2(b) the amounts from Lines 14 and 25 on each Depreciation and Amortization form (IRS Form 4562 - Rev 3-2002). |
| LINE 2(c) | For all members of the combined group, determine the amount of depreciation included on Lines 15, 17, 19, 20, 26(h) and 27(h) of any IRS Form 4562 (Rev 3-2002) relating to: <ul style="list-style-type: none"> • Assets acquired by the taxpayer after September 10, 2001 and before January 1, 2005 which were placed in service before January 1, 2005 (January 1, 2006 for certain assets) upon which the bonus depreciation was taken during any 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 bonus depreciation and Section 179 deductions taken during any taxable period, only include the amount of depreciation once for that asset. <ul style="list-style-type: none"> • Add the amounts determined above together and enter the total on Line 2(c). |
| LINE 2(d) | For all members of the combined group, other additions required due to revisions to the IRC in effect on December 31, 2000. (Attach a brief description of the additions). |
| LINE 2(e) | Enter the sum of Line 2(a) through Line 2(d). |
| LINE 3(a) | For all members of the combined group, 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) | For all members of the combined group, 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 current taxable period depreciation on: <ul style="list-style-type: none"> • Assets acquired by the taxpayer after September 10, 2001 and before January 1, 2005 which is placed in service by the taxpayer before January 1, 2005 (January 1, 2006 for certain assets) upon which the bonus depreciation was taken during any period and, • Assets acquired after December 31, 2000 for which an IRC Section 179 deduction was taken during any taxable period. <ul style="list-style-type: none"> • 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) | For all members of the combined group, enter any other deductions required due to revisions to the IRC in effect on December 31, 2000. (Attach a brief description of the deductions). |
| LINE 3(d) | Enter the sum of Line 3(a) through Line 3(c). |
| LINE 4 | Line 4(a) through Line 4(d) needs to be completed only when assets acquired by the taxpayer after September 10, 2001 and before January 1, 2005, which were placed in service before January 1, 2005 (January 1, 2006 for certain assets) upon which the bonus depreciation was taken or on assets which additional IRC Section 179 expense was taken, are disposed of before they have been fully depreciated under both the Federal and NH depreciation methods. The assets will have a different basis for federal and state purposes until they are fully depreciated, creating a different calculation of gain or loss. |
| LINE 4(a) | For all members of the combined group, using the line on Federal Form 1120, 1120-A or 1120-S or their supporting schedules that pertains to the current taxable period Net Gain (Loss) from Form 4797, 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 taxable period. |
| LINE 4(b) | For all members of the combined group enter the total amount of the gross sales prices from the Federal Form 4797 on assets described in the Line 4 above that were sold in the taxable period. |
| LINE 4(c) | For all members of the combined group determine the amount of the NH basis for the assets described in Line 4 above that were sold in the taxable period and add the related selling expenses. Enter the amount on Line 4(c). The NH 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 NH 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 5 | Add the amount on Lines 2(e) to the amount on Line 1 then subtract the total amount of Line 3(d) from the previous subtotal. Adjust this subtotal by the amounts on Line 4(a) and Line 4(d). Enter the final amount calculated on Line 5 of this schedule and then enter this same amount on Line 1(a) of your NH Combined Business Profits Tax Return. |

Reminder - The schedule must be attached to your Combined Business Profits Tax Return.