

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
PARTNERSHIP 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 filers 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	NAME OF PARTNERSHIP OR LLC	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
STEP 2 Figure Your Tax	<p>1 INCOME AND DEDUCTIONS (See instructions) SCH R IRC RECONCILIATION</p> <p>(a) Ordinary income (loss) from trade or business activities 1(a)</p> <p>(b) Net income (loss) from rental real estate activities 1(b)</p> <p>(c) Net income (loss) from other rental activities 1(c)</p> <p>(d) Income (loss) 1(d)</p> <p>(e) Guaranteed payments to partners 1(e)</p> <p>(f) Other income or (loss) from partnership activities NOT INCLUDED in Lines 1(a) through 1(e) above 1(f)</p> <p>(g) Partnership deductions from Federal Form 1065, Schedule K, 1(g)</p> <p>(h) TOTAL [Combine Lines 1(a) through 1(g)] 1(h)</p> <p>2 NET GAIN (LOSS) FROM SALE OF ASSETS (See instructions) Attach schedule if additional space is needed.</p> <p>Description of Property Gain (Loss)</p> <p>(a) 2(a)</p> <p>(b) 2(b)</p> <p>(c) TOTAL GAIN (LOSS) FROM SALE OF ASSETS [Combine Lines 2(a) and 2(b)] 2(c)</p> <p>3 INSTALLMENT GAIN (LOSS) Attach schedule if additional space is needed.</p> <p>Date of Original Sale Description of Property Gain (Loss)</p> <p>Mo Day Year</p> <p>(a) 3(a)</p> <p>(b) 3(b)</p> <p>(c) TOTAL INSTALLMENT GAIN (LOSS) [Combine Lines 3(a) and 3(b)] 3(c)</p> <p>4 SEPARATE ENTITY ADJUSTMENT 4 (Separate entity, passive loss limitation adjustments, or other income or expense adjustments.)</p> <p>5 GROSS BUSINESS PROFITS Line 1(h) adjusted by Lines 2(c), 3(c) and 4. (See instructions) 5</p> <p>6 NEW HAMPSHIRE ADDITIONS AND DEDUCTIONS (See worksheet and instructions)</p> <p>(a) Add back income taxes or franchise taxes measured by income 6(a)</p> <p>(b) New Hampshire Net Operating Loss Deduction (Attach Form DP-132) 6(b)</p> <p>(c) Interest on direct US obligations 6(c)</p> <p>(d) Wage adjustment required by IRC Section 280C 6(d)</p> <p>(e) Add back expenses related to income exempt under federal constitutional law. 6(e)</p> <p>(f) Add the amount of increase in the basis of assets which was due to the sale or exchange of interest in the partnership (RSA 77-A:4, XIV) 6(f)</p> <p>(g) Interest and dividends subject to tax under RSA 77 6(g)</p> <p>(h) Add back return of capital received from a Qualified Investment Capital Company 6(h)</p> <p>(i) Compensation deduction for personal services (See instructions) 6(i)</p> <p>(j) Other additions and deductions required by RSA 77-A:4 (Attach schedule) 6(j)</p> <p>(k) TOTAL ADDITIONS AND DEDUCTIONS [Combine Lines 6(a) through 6(j)] 6(k)</p> <p>7 Adjusted Gross Business Profits Line 5 adjusted by Line 6(k). [If negative, show in parenthesis eg.(50)] 7</p> <p>8 New Hampshire Apportionment (Form DP-80, Line 5. Express as a decimal to 6 places) 8</p> <p>9 New Hampshire Taxable Business Profits (Line 7 x Line 8) 9</p> <p>10 New Hampshire Business Profits Tax (Line 9 x 8.5%) 10</p> <p>STEP 3 Figure Your Credits</p> <p>11 Credits allowed under RSA 77-A:5 as shown on Form DP-160 11</p> <p>12 Subtotal (Line 10 minus Line 11) 12</p> <p>13 New Hampshire Business Enterprise Tax Credit (See instructions) 13</p> <p>14 New Hampshire Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of Line 12 or Line 13. See instructions) 14</p> <p>15 New Hampshire Business Profits Tax Net of Statutory Credits (Line 12 minus Line 14) 15</p> <p>ENTER THE AMOUNT FROM LINE 15 ON LINE 1(b) OF THE BUSINESS TAX SUMMARY. THIS RETURN MUST BE FILED WITH THE BT-SUMMARY AND ALL APPLICABLE FEDERAL SCHEDULES.</p>	

FEDERAL 1065-B FILERS

Taxpayers who file a 1065-B, U.S. Return of Income for Electing Large Partnerships, should follow the line descriptions and NOT the line cites. If you have questions about what items should be included or where, call Central Taxpayer Services at (603) 271-2191.

STEP 1: NAME & FEIN

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

PRINT the partnership's name or LLC, address, Federal Employer Identification Number (FEIN), or Department Identification Number (DIN). Wherever FEIN's are required, taxpayers who have been issued a DIN, shall use their DIN only, and not FEIN.

SCHEDULE R

Taxpayers must file their New Hampshire Business Tax returns using the provision of the IRC in effect on **December 31, 2000**. Check the IRC Reconciliation box and complete the Non-Corp Schedule R for each separate activity.

STEP 2: FIGURE YOUR TAX**LINE 1: INCOME AND DEDUCTIONS**

If in any period you took any IRC Section 179 deductions for assets acquired after December 31, 2000 or any bonus depreciation deductions for assets acquired and placed in service after September 10, 2001 and before January 1, 2005 (January 1, 2006 for certain assets) you must use the Schedule R for Non-Corporate Business Profits Tax Reconciliation of New Hampshire Gross Business Profits to calculate amounts to enter in Lines 1(a), 1(b), 1(c) and 1(f).

- (a) Enter the amount of ordinary income (loss) from trade or business activities from the Federal Form 1065, Page 1.
- (b) Enter the amount of net income (loss) from rental real estate activities from Federal Form 1065, Schedule K.
- (c) Enter the amount of net income (loss) from other rental activities from Federal Form 1065, Schedule K.
- (d) Enter the total amount of interest, dividend, royalty or other income (loss) from Federal Form 1065, Schedule K.
- (e) Enter the amount of guaranteed payments to partners from Federal Form 1065, page 1.
- (f) Enter the amount of income (loss) from any partnership activities which have **NOT BEEN INCLUDED** in Lines 1 (a) through 1 (e) of this return. Attach supporting schedule.
- (g) Enter the amount of partnership deductions which are deducted on Federal Form 1065, Schedule K.
- (h) Enter the total of Lines 1(a) through 1(g).

LINE 2: NET GAIN (LOSS) FROM SALE OF ASSETS

Enter a complete description of any property sold on a non-installment basis, including the address if the property was real estate. Report the gain or loss on the sale without the effects of federal passive loss limitation rules. Do not include any ordinary income or loss from the sale of the assets that was already included in Line 1 of NH-1065. If a loss, show in parenthesis, e.g. (\$50).

If there were any sales of assets on which additional IRC Section 179 deductions were reported in any year and/or for which bonus depreciation was reported in any year, you must use the Schedule R for Non-Corporate Business Profits Tax reconciliation of New Hampshire Gross Business Profits to determine the amounts to include here for those assets.

LINE 3: 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-1065. Enter the original date of the sale. Report the installment gain (loss) received this year without the effects of federal passive loss limitation rules. Do not include any ordinary income (loss) from the installment sale of assets that was already included in Line 1 of NH-1065. If a loss, show in parenthesis, e.g. (\$50).

If there were any installment sales of assets on which additional IRC Section 179 deductions were reported in any year and/or for which bonus depreciation was reported in any year, you must use the Schedule R for Non-Corporate Business Profits Tax Reconciliation of New Hampshire Gross Business Profits to determine the amounts to include here for those assets.

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 accessing our web site at www.nh.gov/revenue or by contacting the forms line at (603) 271-2192. 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. The partnership **MUST** file a return every year, regardless of the amount of installments, if the sales price exceeded \$50,000 for tax years ending July 1, 1993 and after. If you need additional space, attach a schedule.

LINE 4: SEPARATE ENTITY ADJUSTMENT

Enter the amounts which arise from the necessity of adjusting gross business profits to accommodate the New Hampshire requirement of separate entity treatment of business organizations. This would include the partnership's share of another partnership's activity in which it is a partner as reported on Lines 1(a) through 3(c). Attach a separate schedule detailing the amount and type of adjustments.

LINE 5: GROSS BUSINESS PROFITS TAX

Combine Lines 1(h), 2(c), 3(c) and 4. If a loss, show dollar amount in parenthesis, e.g. (\$50).

PARTNERSHIP BUSINESS PROFITS TAX RETURN

LINE-BY-LINE INSTRUCTIONS (continued)

STEP 2 (continued)**LINE 6: NEW HAMPSHIRE ADDITIONS AND DEDUCTIONS**

- (a) Enter the total New Hampshire Business Profits Tax and any income tax, franchise tax measured by net income or capital stock tax assessed by any state or political subdivision that was deducted on this year's federal return. Attach a schedule of taxes by state. Do not include the New Hampshire Business Enterprise Tax liability in this amount. Include foreign taxes based on income as reported on your federal Schedule K.
- (b) Enter the amount of carryforward loss available as shown on Line 11 of Form DP-132. **Form DP-132** must be attached to the return.
- (c) Enter the amount of gross business profits as is attributable to income derived from non-taxable interest on notes, bonds or other direct securities of the United States Government.
- (d) Enter the amount of jobs credit (IRC Section 280C) deducted on this year's federal return.
- (e) Expenses paid or incurred that relate to the excluded income portion must be added back here.
- (f) If the basis of any underlying assets was increased due to a transfer or sale of the interest or beneficial interest of the partnership, then enter the amount of the net increase in the assets. (The increase in the basis of assets is determined by the IRC as defined in RSA 77-A:1, XX).
- (g) If the partnership is subject to tax under RSA 77, enter the amount of interest and/or dividends shown on Line 1(d) above which is attributable to the NEW HAMPSHIRE partners pro rata share net of any deduction taken on Line 8(c). Interest & Dividends Tax Form DP-10 may be obtained by visiting our web site at www.nh.gov/revenue or by calling (603) 271-2192.
- (h) Enter an addition equal to any return of capital previously taken as a deduction as a capital contribution made prior to 5/24/04 to a Qualified Investment Capital Company if such return of capital is received within 3 taxable periods after the taxable period in which it was deducted.
- (i) Compensation for personal services (see personal compensation worksheet).
Enter the value of the services performed by the partners during the taxable period. Only natural persons are permitted a deduction for personal services. Corporate partners or other entities which are partners are not permitted a deduction. Compensation is only allowed for the partners who actually render personal services to the business. The MINIMUM STATUTORY DEDUCTION OF \$6,000 IS ALLOWED TO EACH PARTNER WHO actually rendered services during the current taxable period. The Part-Comp worksheet should be used and attached to make this calculation. RSA 77-A:4 limits the MAXIMUM compensation deduction to the sum of the following amounts included in your federal income tax schedule after you consider the amount of income attributable to the return on business assets and the return on non-owner employees wages:
- (1) Ordinary income or loss from trade or business activities from Federal Form 1065, Schedule K;
 - (2) Income or loss from rental properties from Federal Form 1065, Schedule K;
 - (3) Guaranteed payments to partners from Federal Form 1065, Schedule K;
 - (4) Income or loss from activities in the regular trade or business of the partnership that are specifically allocated to the individual partners;
 - (5) Not to exceed 15% of the sales price as shown on Federal Form 4797, 6252 or other applicable federal forms for the sale of business assets provided the partner acted as the broker or agent and no other broker or agent was involved in the sale of the property.
 - (6) In instances where the partner(s) act(s) as a co-broker, the maximum deduction shall be the difference between the amount determined in (5) 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 NH Wages and Benefits published by the NH Department of Employment Security and available at www.nhes.state.nh.us, as a reference point.

The partnership must maintain adequate records to substantiate the activities performed by each partner and the methods used to determine the rate of compensation for such activities.

- (j) Enter the amount of other additions and deductions required by RSA 77-A:4. Attach a Schedule.
- (k) Enter the total of Lines 6(a) through 6(j).

LINE 7: ADJUSTED GROSS BUSINESS PROFITS

Enter the total of Line 5 as adjusted by Line 6(k).

LINE 8: NEW HAMPSHIRE APPORTIONMENT

Partnerships which have business activity both inside and outside New Hampshire AND which are subject to income taxes, a franchise tax measured by net income or 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 actually imposed by the other state, must apportion their gross business profits to New Hampshire by using Form DP-80, Apportionment of Income. Form DP-80 may be obtained by accessing our web site at www.nh.gov/revenue or by calling (603) 271-2192. After completing Form DP-80, enter the apportionment percentage on Line 8 of your Form NH-1065. Show to six decimal places. **All others enter 1.00 on Line 8.**

LINE 9

Enter the product of Line 7 multiplied by Line 8. **If negative, enter zero.**

LINE 10

Enter the product of Line 9 multiplied by 8.5%.

STEP 3: FIGURE YOUR CREDITS**LINE 11: CREDITS**

Enter the amount of credits allowed under RSA 77-A:5, as shown on Form DP-160. **Form DP-160, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on Line 11. Form DP-160 may be obtained by visiting our web site at www.nh.gov/revenue or by calling (603) 271-2192. DO NOT INCLUDE THE BET CREDIT ON THIS LINE.**

LINE 12

Enter the amount of Line 10 minus Line 11.

LINE 13: 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 following worksheet.

LINE 14

Enter the lesser amount of Line 12 or Line 13. If Line 13 is greater than Line 12, then a Business Enterprise Tax Credit carryforward exists. Any unused portion of the current taxable periods Business Enterprise Tax Credit may be carried forward and credited against any Business Profits Tax due in a subsequent taxable period.

LINE 15

Enter the amount of Line 12 minus Line 14.

ENTER THE AMOUNT FROM LINE 15 ON LINE 1(b) OF THE BT-SUMMARY AND ATTACH ALL APPLICABLE FEDERAL SCHEDULES.

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
PARTNERSHIP BUSINESS PROFITS TAX RETURN
LINE-BY-LINE INSTRUCTIONS (continued)

BET CREDIT WORKSHEET

	Taxable period ended	Taxable period ended	Taxable period ended	Taxable period ended	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 Form BET, Line 5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C Expiring BET Credit Carryforward <small>**See note below</small>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>	<input "="" type="text" value="("/>
D BET Credit Available <small>(Sum of Lines A, B and C) Enter on Line 13 of NH-1065</small>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E Current Period BPT liability From NH-1065, Line 12	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F BET Credit Deduction this Period (the lesser of Line D or Line E) Enter on Line 14 of NH-1065	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G Credit Carryforward Amount (Line D minus Line F) <small>Carry this amount forward and indicate on Line A in subsequent period.</small>	<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 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.