



**GROSS BUSINESS PROFITS RECONCILIATION FOR INDIVIDUALS, TRUSTS, AND LLCs
THAT FILE AS PROPRIETORSHIPS OR TRUSTS FOR FEDERAL PURPOSES**

Items of income and deductions reported on Federal Form 1040. If more than one entity, report the results of all specific entity types on one single Form DP-121 and include a statement with details of each entity and any inter-group eliminations.

NAME AND TAXPAYER IDENTIFICATION NUMBER

Enter the business organization's name and taxpayer identification number (Social Security Number (SSN), Federal Employer Identification Number (FEIN), or Department Identification Number (DIN)) in the spaces provided.

Enter the beginning and ending dates of the taxable period.

PART ONE - PROPRIETORSHIP OR JOINTLY OWNED PROPERTY

The total net profit or loss from all business activities owned by an individual, or jointly owned property with a spouse, reported on a Federal Form 1040; Schedule B, C, D, E, F, and Forms 4835, 4797, and 6252 that relate to the business activity of a business, profession, rental, or farm including any gain or loss derived from the sale of assets held or used in the business activity, which are included in this combined group. If more than one proprietorship, report the results of all proprietorships on one single Form DP-121 and include a statement with details of each entity and any inter-group eliminations.

LINE 1

Items of income and deductions reported on Federal Form 1040. Report the profit or loss from Federal Schedule C, Line 31, if the Federal Form 1040 is a joint return and more than one Schedule C is on the Federal Form 1040, report only the Schedule Cs that are owned by the same individual. Multiple unitary Federal Schedule Cs should total the net profit or loss of each reporting Schedule C and place the result on Line 1.

LINE 2

Report the net rental profit or loss from Federal Schedule E, Line 21. If the Federal Form 1040 is a joint return and the property is jointly owned, check the Jointly Owned box at the top of DP-121 and report as a single business activity. Separately owned property must be reported on a NH-1040 by the owner of the property.

LINE 3

Report the net farm rental profit or loss Federal Form 4835, Line 32.

LINE 4

Report the net farm profit or loss Federal Schedule F, Line 34.

LINE 5

Report the net gain or loss from the sale of business assets, Federal Form 4797, Lines 2(g), 3, 5, 10(g), 14, 16 and 30.

LINE 6

Report the net gain or loss from sale of investment assets, Federal Schedule D, lines 1(h), 2(h), 3(h), 8(h), 9(h) and 10(h). New Hampshire Statutes determine business assets as those assets used in a business activity; therefore, assets used in a rental activity would be business assets and not investment assets.

LINE 7

Report the installment sale income from the sale of business assets recognized during the period Federal Form 6252, Line 24. Report this amount even if the business organization has ceased conducting business.

LINE 8

Report other net business income not reported above, included on Federal Form 1040, Schedule 1, Line 9 and adjusted accordingly (attach schedule).

LINE 9

This Line is not used by a proprietor.

LINE 10

Gross business profits from individual business activity. Total Lines 1 through 9 and report on NH-1120-WE, Schedule 1A, Line 4.

PART ONE - SINGLE MEMBER LIMITED LIABILITY COMPANY (SMLLC)

New Hampshire does not disregard limited liability companies (LLC); as such, any business activity or separate activities conducted as an LLC or multiple LLCs by an individual who reports any LLC activity on their Federal Form 1040 must report that activity or activities as separate business organizations. Only one LLC should be reported on Form DP-121 unless the group of LLCs are owned by the same individual and are part of the combined group.



GROSS BUSINESS PROFITS RECONCILIATION FOR INDIVIDUALS, TRUSTS, AND LLCs THAT FILE AS PROPRIETORSHIPS OR TRUSTS FOR FEDERAL PURPOSES (continued)

The total net profit or loss from a business activity created as an SMLLC but reporting as a disregarded entity for Federal tax reporting purposes is reported on this form. Each SMLLC reported on a Federal Form 1040; Schedule B, C, D, E, F, and Forms 4835, 4797, and 6252 that is owned by the same individual and is part of a combined group may report that activity on Form DP-121. Each separate LLC must maintain an accounting of the business activities engaged in. Those SMLLCs not part of the combined group must complete and file a separate NH Business Profits Tax return.

LINE 1

Line 1 is for reporting items of income and deduction of SMLLC reported on Federal Form 1040. Report the profit or loss from Federal Schedule C, Line 31. Multiple unitary Federal Schedule Cs should total the net profit or loss of each reporting Schedule C. Place the result on Line 1.

LINE 2

Report the net rental profit or loss from Federal Schedule E, Line 21, if the Federal Form 1040 has multiple rental properties, each of which are owned by a different LLC controlled by the same individual and which is part of the combined group should total the net profit or loss of each rental activity and place the result on Line 2.

LINE 3

If the farm activity is conducted within an SMLLC report the net farm rental profit or loss Federal Form 4835, Line 32 on Line 3.

LINE 4

If the farm activity is conducted within an SMLLC report the net farm profit or loss Federal Schedule F, Line 34.

LINE 5

If the SMLLC sells a business asset, report the net gain or loss from the sale of business assets, Federal Form 4797, Line 2(g), 3, 5, 10(g), 14, 16 and 30.

LINE 6

If the SMLLC sells investments assets defined as business assets for New Hampshire Business Profits Tax purposes report the net gain or loss from sale of investment assets, Federal Schedule D, Part 1, Lines 1(h), 2(h), 3(h), 8(h), 9(h), and 10(h). New Hampshire law defines business assets as those assets used in a business activity, therefore assets used in a rental activity would be business assets and not investment assets.

LINE 7

If the SMLLC enters into an installment sale, report the installment sale income from the sale of business assets recognized during the period Federal Form 6252, Line 24. Report this amount even if the business organization has ceased conducting business.

LINE 8

Report other net business income not reported above, included on Federal Form 1040, Schedule 1, Line 9 and adjusted accordingly (attach schedule).

LINE 9

Other net business income (attach schedule). For SMLLC Business Income from Federal Form 1040, Schedule B may be considered business income if the investment is owned by the SMLLC but is reported by the individual as being disregarded.

LINE 10

Gross business profits from SMLLC business activity. Total Lines 1 through 9 and report on NH-1120-WE, Schedule 1A, Line 5.

PART TWO - TRUST OR ESTATE

Part two addresses items of income and deductions reported on Federal Form 1041, or other business organization engaging in business activity not reporting elsewhere in this return and explains how these items should be treated for NH-1120.

The total net profit or loss from all business activities owned by a trust, reported on a Federal Form 1041, Lines 1 through 9, and related business expenses which may be reported on lines 10 through 21 and related Federal 1041 Schedules C, D, E, F, and Forms 4797 that relate to a trust or and any net gains derived from the sale of assets held for use in the business activity, which are included in this combined group. If other business organization engaging in a business activity and have not reported that activity anywhere else on this tax return, that activity should be reported here.

LINE 1

Report interest income from investments made by the trust related to business activities reported on Federal Form 1041, Line 1.

LINE 2

Report all dividends received by the trust from investments made by the trust related to business activities reported on Federal Form 1041, Line 2(a).



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- LINE 3**
Report the profit or loss from reported on the Federal Form 1041, Line 3.
- LINE 4**
If the trust sells investments assets defined as business assets for New Hampshire Business Profits Tax purposes, report the net gain, but not loss, from sale of investment assets, Federal Form 1041, Line 4. New Hampshire law defines business assets as those assets used in a business activity; therefore, assets used in a rental activity would be business assets and not investment assets. The BPT Statute requires the net amounts of gains be reported, but not losses.
- LINE 5**
Report the royalties, and net rental profit or loss from Federal Form 1041, Line 5. Do not report partnership estate, or other trust activity, as New Hampshire is a separate entity State.
- LINE 6**
Report farm income or loss reported on Federal Form 1041, Line 6.
- LINE 7**
If the trust sells a business asset, report the net gain only from the sale of business assets, Federal Form 1041, Line 7.
- LINE 8**
Report other income, related to the trust business activity, reported on Federal Form 1041, Line 8.
- LINE 9**
Report all other business expenses not reported above related to the production of business income reported on Lines 1, 2 and 8.
- LINE 10**
Report gross business profits from trust business activity. Total Lines 1 through 8 and from the result subtract Line 9. Report on NH-1120-WE, Schedule 1A, Line 6.