



## WHO MUST APPORTION

A business organization must apportion its income if:

- Its business activities are conducted both inside and outside New Hampshire; AND
- The business organization is subject to a net income tax, franchise tax based upon 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. See RSA 77-A:3.

## INCOME SUBJECT TO APPORTIONMENT

The Business Profits Tax law, RSA 77-A, does not contain a provision differentiating between business and non-business income. All income constitutes business income subject to apportionment unless specifically excluded by RSA 77-A.

## CONFIDENTIAL INFORMATION

Tax information disclosed to the New Hampshire Department of Revenue Administration is held in strict confidence by law. The information may be disclosed to the United States Internal Revenue Service, agencies responsible for the administration of taxes in other states in accordance with compacts for the exchange of information, and as otherwise authorized by RSA 21-J:14.

## TAXPAYER IDENTIFICATION

The Commissioner of the Department of Revenue is authorized pursuant to RSA 21-J:27-a to require submission of an SSN, FEIN, or any other identifying number used in filing or preparing federal tax documents. If you do not have any such identifying number, or share one with another taxpayer, then, under Rev 2903.01, you must obtain a Department Identification Number (DIN). If you have a DIN, use it on all New Hampshire filings. To ensure that your filings and payments are applied to the correct account, the sequence of names and taxpayer ID numbers on all filings must be consistent. The failure to provide a taxpayer identification number may result in the rejection of filed documents. Failure to timely file documents complete with a consistent taxpayer identification number may result in the imposition of penalties and interest, the disallowance of claimed exemptions, exclusions, credits, deductions, or an adjustment that may result in increased tax liability.

## NEED FORMS?

To obtain additional forms, you may visit our website at [www.revenue.nh.gov](http://www.revenue.nh.gov), by calling the Forms Line at (603) 230-5001, or by requesting them through the Granite Tax Connect web portal at [gtc.revenue.nh.gov/TAP/](http://gtc.revenue.nh.gov/TAP/).

## NEED HELP?

Call the Department of Revenue Administration, Taxpayer Services at (603) 230-5920. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.

## LINE-BY-LINE INSTRUCTIONS

Continue onto page 2 for line-by-line instructions.



## NAME AND TAXPAYER IDENTIFICATION NUMBER

Enter taxpayer's name and identification number in the spaces provided.

Enter the beginning and ending dates of the taxable period.

## ROUNDING OFF

Money items on all BET and BPT forms shall be rounded off to the nearest whole dollar.

Business organizations included in a combined group must eliminate all intercompany transactions with other members of the unitary group from both the numerator and the denominator.

Business organizations that have flow through items should not include those items in their apportionment factors.

## LINE 1 - SALES/RECEIPTS FACTOR

The sales/receipt factor includes, but may not be limited to sales less returns and allowances; dividends which are not eligible for the dividend deduction under RSA 77-A:4, or the factor relief provided in RSA 77-A:3, II(b); interest, rents and royalties; capital gain income; net gains or losses; and other income unless the item is property includible as a reduction of an expense or allowance. Refer to RSA 77-A:3 and Rev 304.041 for additional information.

### LINE 1(a)

Enter "Everywhere" sales.

### LINE 1(b)

Enter "New Hampshire" sales. Do not leave this line blank. If zero, enter zero.

### LINE 1(c)

Divide 1(b) by 1(a) (express to six decimal places). **This is your New Hampshire Apportionment.**

## LINE 2 - PAYROLL FACTOR

The payroll factor is the total compensation consisting of wages, salaries, commissions, and other forms of remuneration paid during the taxable period to employees for personal services. Employee benefits should not be included in the payroll factor. Do not include payments to independent contractors where no employer/employee relationship exists. Refer to RSA 77-A:3, Rev 304.03, and Rev 308.04 for additional information.

### LINE 2(a)

Enter "Everywhere" payroll.

### LINE 2(b)

Enter "New Hampshire" payroll.

### LINE 2(c)

Divide 2(b) by 2(a) (express to six decimal places).

## LINE 3 - PROPERTY FACTOR

The property factor includes all real and tangible personal property owned, rented, and employed by the business organization during the tax period in the regular course of its trade or business. Leasehold improvements are treated as property owned by the business organization. Other tangible assets should be listed separately under 3(a) and 3(b). Refer to RSA 77-A:3, Rev 304.02, and Rev 308.04 for additional information.

"Real and tangible personal property" includes land, buildings, improvements, equipment, merchandise or manufacturing inventories, leasehold improvements and other similar property that reflects the organization's business activities. Property shall be included in the property factor if it is actually used, available for use or capable of being used during the taxable period in the regular course of trade or business of the organization. Property or equipment under construction during the taxable period, except inventory of goods in process, shall be excluded from the factor until such property is actually used or available for use by the business organization in its regular trade or business.

**Valuation of owned property:** Property owned by the business organization must be valued at its original cost. "Original cost" is the basis of the property for federal income tax purposes at the time of acquisition, prior to any federal adjustments, and adjusted by subsequent sale, exchange, abandonment, etc. Inventory is included in the property factor in accordance with the valuation method used for federal income tax purposes.

**Valuation of rented property:** Property rented by a business organization is valued at 8 times the net annual rental rate. The net rental rate is the annual rental rate paid by the business organization less any annual rental rate received by the business organization from sub-rentals.

**Average value of owned property:** The beginning and ending cost of owned property is used to determine the average cost for the property factor. Where fluctuations in values exist during the period or where property is acquired or disposed of during the period, a monthly average shall be used to prevent distortions if the combined monthly averages are 25% greater or lesser than the property factor computed using the beginning and ending average. "Beginning of Period" means the start of the tax period or when the assets are available for use.

### LINE 3(a)

Enter "Everywhere" property.

### LINE 3(b)

Enter "New Hampshire" property.

### LINE 3(c)

Divide 3(b) by 3(a) (express to six decimal places).