



PURPOSE

The purpose of this Quick Checklist is to provide taxpayers and tax practitioners with a convenient reference guide of what is taxable and non-taxable. **This Quick Checklist is for informational purposes only and is not intended to be a complete list or to be relied upon as a substitute for the actual state law.** Please refer to the applicable statute and rules to determine how this information applies to specific persons or situations.

BREAKDOWN OF TAXABLE AND NON-TAXABLE INTEREST IN NEW HAMPSHIRE

INTEREST SUBJECT TO TAX

- All banks, credit unions, building & loan associations, trust companies.
- Bonds, notes and money at interest and from all debts due the person being taxed unless specifically exempt.
- Personal life insurance interest.
- Personal mortgages and loans.
- Repurchase agreements.
- Municipal bonds, EXCEPT New Hampshire.
- Deemed interest.
- Certain US obligations identified in the chart on page 2.
- Annuities (*except as part of an employee benefit plan as defined in ERISA of 1974 Sec. 3, or the principal portion of life insurance proceeds*).
- Annual calculated interest from zero coupon bonds.
- OID interest as shown on your 1099.
- Interest paid on income tax refunds.
- Income reported by, and taxed federally as interest to, a trust beneficiary who is an individual inhabitant or resident of this state with respect to distributions from a trust that is not treated as a grantor trust under Section 671 of the United States Internal Revenue Code shall be included as interest in the return of such beneficiary.

NON-TAXABLE INTEREST

- New Hampshire State and New Hampshire Municipal bonds.
- Individual Retirement Accounts
- Keogh Plans
- Tax Deferred Investment Plans
- Employee Benefit Plans defined by ERISA of 1974, Sec. 3.
- Specifically exempted Puerto Rico, Guam & Virgin Islands bonds.
- Certain US obligations identified in the chart on page 2.
- New Hampshire Housing Authority Bonds, Industrial Development Authority, New Hampshire Higher Education and Health Facilities Authority, Firemen's Retirement, New Hampshire Retirement System, and State Retirement Allowance.
- Interest received from qualified funds invested in College Tuition Savings Plans.

BREAKDOWN OF TAXABLE AND NON-TAXABLE DIVIDENDS IN NEW HAMPSHIRE

DIVIDENDS SUBJECT TO TAX

- Banks and bank holding companies.
- Corporations (*including New Hampshire Corporations*) Mutual funds EXCEPT portion generated from direct obligations of the US Government or from capital gains.
- Automatic reinvestments.
- Fair market value of distributed property by a business organization.
- World Bank dividends.
- Deemed dividends.
- Income reported by, and taxed federally as dividends to, a trust beneficiary who is an individual inhabitant or resident of this state with respect to distributions from a trust that is not treated as a grantor trust under Section 671 of the United States Internal Revenue Code shall be included as dividends in the return of such beneficiary.
- Partnerships, limited liability companies or associations in which the beneficial interest is represented by transferable shares.
- Partnerships and limited liability companies having no usual place of business in this state and having non-transferable shares see instructions and Administrative Rule Rev 902.07.

NON-TAXABLE DIVIDENDS

- Capital gains.
- Return of capital.
- Stock dividends paid in new stock (*not automatic reinvestment of mutual funds*).
- Liquidating dividends.
- Individual Retirement Accounts
- Keogh Plans
- Tax deferred investment plans.
- Sale or exchange of transferable shares.
- 1099 PATR (*Patronage Dividends*)
- Mutual funds which invest solely in New Hampshire tax-exempt instruments.
- Dividends received from qualified funds invested in College Tuition Savings Plans.



INTEREST & DIVIDENDS TAXABILITY CHART OF US OBLIGATIONS

Abbreviation	Type of US Obligation	Taxable	Non-Taxable
AID	Agency for International Development		X
BA	Bankers Acceptance	X	
CPR	Commonwealth of Puerto Rico		X
FCFACE	Farm Credit System Financial Assistance Corporation		X
FAMC	Federal Agricultural Mortgage Corporation	X	
FFCB	Federal Farm Credit Bank		X
FFCDN	Federal Farm Credit Discount Note		X
FB	Federal Financing Bank		X
FHLB	Federal Home Loan Bank		X
FHLMC	Federal Home Loan Mortgage Corporation	X	
FHA	Federal Housing Administration	X	
FLB	Federal Land Bank	X	
FNMA	Federal National Mortgage Corporation	X	
FAC	Financial Assistance Corporation		X
FC	Financing Corporation		X
FICO	Financing Corporation Strips		X
GNMA	Government National Mortgage Association	X	
IBR&D	International Bank for Reconstruction and Development	X	
MBS	Mortgage Backed Securities	X	
OPIC	Overseas Private Investment Corporation	X	
REPOS	Repurchase Agreements	X	
RFC	Resolution Funding Corporation		X
RTC	Resolution Trust Corporation		X
SBA	Small Business Administration		X
SLMA	Student Loan Marketing Association		X
TMF	Treasury Mutual Funds		X
TVA	Tennessee Valley Authority		X
UST	US Treasury Bills, Notes and Bonds		X
VMT	Vendee Mortgage Trust	X	