

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**BUSINESS ENTERPRISE TAX APPORTIONMENT**

**SEQUENCE # 3**

For the CALENDAR year **1999** or other tax year beginning      Mo      Day      Year and ending      Mo      Day      Year

NAME		FEIN or SSN	
<b>SECTION I – APPORTIONMENT FACTORS</b>			
<b>COMPENSATION AND WAGES FACTOR</b>	1 NH Compensation and Wages Paid or Accrued	1	
	2 Everywhere Compensation and Wages Paid or Accrued	2	
	3 COMPENSATION FACTOR (Line 1 divided by line 2) Enter this amount on line 21.	3	●
<b>INTEREST FACTOR</b>	4 Average of NH Property	4	
	5 Average of Everywhere Property	5	
	6 INTEREST FACTOR (Line 4 divided by line 5) Enter this amount on line 26.	6	●
<b>DIVIDEND FACTOR</b>	7 NH Sales (See instructions)	7	
	8 Everywhere Sales (See instructions)	8	
	9 Sales Factor (Line 7 divided by line 8)	9	●
	10 Sub-total (Sum of lines 3, 6 and 9)	10	●
	11 DIVIDEND FACTOR (See instructions) Enter this amount on line 15.	11	●
<b>SECTION II – BUSINESS ENTERPRISE TAX BASE APPORTIONMENT</b>			
<b>DIVIDEND APPORTIONMENT</b>	12 Dividends Paid (See instructions)	12	
	13 Less Dividend Deduction (See instructions)	13	
	14 Subtotal (Line 12 less line 13)	14	
	15 Dividend Apportionment Factor (From line 11)	15	●
	16 Taxable Dividends (Line 14 multiplied by line 15. If negative, show in parenthesis)	16	
	<b>17 TOTAL TAXABLE DIVIDENDS (From line 16.) IF NEGATIVE, ENTER 0.</b> Enter this amount on line 1, Form BET or Form BET-PROP.	<b>17</b>	
	<b>COMPENSATION AND WAGES APPORTIONMENT</b>	18 Everywhere Compensation and Wages Paid or Accrued	18
19 LESS: Retained Compensation (See instructions)		19	
20 Subtotal (Line 18 less line 19)		20	
21 Compensation Apportionment Factor (From line 3)		21	●
22 Taxable Compensation (Line 20 multiplied by line 21)		22	
23 LESS: Dividend Offset (See instructions)		23	
<b>24 TOTAL TAXABLE COMPENSATION (Line 22 less line 23)</b> Enter this amount on line 2, Form BET or Form BET-PROP.		<b>24</b>	
<b>INTEREST APPORTIONMENT</b>		25 Interest Paid or Accrued	25
	26 Interest Apportionment Factor (From Line 6)	26	●
	27 Taxable Interest (Line 25 multiplied by line 26)	27	
	28 LESS: Dividend Offset (See instructions)	28	
	<b>29 TOTAL TAXABLE INTEREST (Line 27 less line 28)</b> Enter this amount on line 3, Form BET or Form BET-PROP.	<b>29</b>	

**BUSINESS ENTERPRISE TAX APPORTIONMENT**

GENERAL INSTRUCTIONS

<b>WHO MUST APPORTION</b>	<p>A business enterprise must apportion its enterprise value tax base if:</p> <ul style="list-style-type: none"> <li>▪ its business activities are conducted both within and without New Hampshire, AND</li> <li>▪ the business organization is subject to a business privilege tax, a net income tax, a franchise tax based upon net income, or a capital stock tax in another state whether or not it is actually imposed by the other state.</li> </ul>
<b>SPECIFIC APPORTIONMENT QUESTIONS</b>	<p>Questions regarding apportionment under the NH Business Enterprise Tax should be directed to: New Hampshire Department of Revenue Administration, Audit Division, PO Box 457, Concord, New Hampshire 03302-0457. Telephone: (603) 271-3400. For hearing or speech impaired individuals, call TDD Access: Relay NH 1-800-735-2964.</p>
<b>LINE-BY-LINE INSTRUCTIONS</b>	
<b>SECTION I APPORTIONMENT FACTORS</b>	
<b>COMPENSATION AND WAGES FACTOR</b>	
<b>LINE 1 &amp; 2</b>	<p>Enter on line 1 the "NH" compensation and wages paid or accrued. Enter on line 2 the "EVERYWHERE" compensation and wages paid or accrued.</p> <p>"Compensation and wages" includes all wages, salaries, fees, bonuses, commissions or other payments paid or accrued, including deferred compensation, in the taxable period. This includes compensation on behalf of or for the benefit of employees, officers or directors of the business enterprise and subject to or specifically exempt from withholding under section 3401 of the US Internal Revenue Code. Payments made expressly exempt from withholding under Sections 3401(a) (1), (9), (10), (13), (14), (15), (16), (18), (19), and (20) of the US Internal Revenue Code should not be included in line 1 or 2. <b>For Proprietorships and Partnerships, refer to special instructions for compensation and wages under line 18.</b></p>
<b>LINE 3</b>	<p>Enter on line 3 the amount of line 1 divided by line 2. Express this amount as a decimal to six places.</p>
<b>INTEREST FACTOR</b>	
<b>LINES 4 &amp; 5</b>	<p>Enter on line 4 the average value of beginning and ending "NH" real and tangible personal property owned and employed. Enter on line 5 the average value of beginning and ending "EVERYWHERE" real and tangible personal property owned and employed. Property includes all real and tangible personal property owned 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 enterprise. Real and tangible personal property which is rented or leased is NOT included in the Business Enterprise Tax interest factor.</p> <p>"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 if it is actually used or is available for or capable of being used during the tax period in the regular course of the trade or business of the organization. Property or equipment under construction during the tax period, except inventoriable goods in process, shall be excluded until such property is actually used or available for use by the business organization in its regular trade or business.</p> <p>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 accordance with the valuation method used for federal income tax purposes. "Beginning of Period" means when the assets are available for use.</p> <p>Average Value of Owned Property: The beginning and ending cost of owned property is used to determine the average cost for the property. 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.</p>
<b>LINE 6</b>	<p>Enter on line 6 the amount of line 4 divided by line 5. Express this amount as a decimal to six places.</p>

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 LINE-BY-LINE INSTRUCTIONS

<b>DIVIDEND FACTOR</b>	
<b>LINES 7 &amp; 8</b>	Enter on line 7 the "NH" sales. Enter on line 8 the "EVERYWHERE" sales. Sales include: <ul style="list-style-type: none"> <li>▪ sales less returns and allowances,</li> <li>▪ interest, rents and royalties,</li> <li>▪ dividends which are not eligible for the dividend deduction under RSA 77-E:3, II and III,</li> <li>▪ capital gain income,</li> <li>▪ net gains or losses, and</li> <li>▪ other income unless the other income is properly included as a reduction of an expense or allowance.</li> </ul>
<b>LINE 9</b>	Enter on line 9 the amount of line 7 divided by line 8. Express this amount as a decimal to six places.
<b>LINE 10</b>	Enter on line 10 the sum of the lines 3, 6 and 9.
<b>LINE 11</b>	Enter on line 11 the amount of line 10 divided by three. Express this amount as a decimal to six places. If there are only two factors with an everywhere denominator included on line 10, then divide by 2; if only one factor, divide by 1.
<b>SECTION II BUSINESS ENTERPRISE TAX BASE APPORTIONMENT</b>	
<b>DIVIDEND APPORTIONMENT</b>	
<b>LINE 12</b>	Enter the amount of dividends paid. "Dividends" means any distribution of money or property, other than the distribution of newly issued stock of the same enterprise, to the owners of a business with respect to their ownership interest in such enterprise from accumulated revenues and profits of the enterprise. Per RSA 77-E:1, VI, the term "Dividends" does <b>NOT</b> include the following: <ul style="list-style-type: none"> <li>▪ Distributions of money or property to beneficiaries of a trust qualified under section 401 of US Internal Revenue Code;</li> <li>▪ Cash or non-cash payments of life, sickness, accident or other benefits to members or their dependents or designated beneficiaries from a voluntary employees' beneficiary association qualified under section 501(c) (9) of the US Internal Revenue Code;</li> <li>▪ Distributions of money or property to participants from any common trust fund as defined under section 584 of the US Internal Revenue Code;</li> <li>▪ Policyholder dividends as defined under section 808 of the US Internal Revenue Code, to the extent such dividends are not reduced pursuant to section 809 of the US Internal Revenue Code;</li> <li>▪ Payment of interest on deposits of depositors of a mutual bank or credit union; or</li> <li>▪ Distributions of money or property to or on behalf of beneficiaries of a trust which is either subject to taxation under section 641 or described in section 664 of the US Internal Revenue Code, provided that, this shall apply only to the extent that such trust limits its activities to personal investment activities which do not constitute business activities and those incidental to or in support of such personal investment activities.</li> </ul>
<b>LINE 13</b>	Enter the amount allowed for dividends received from members of an affiliated group of business enterprises, as provided in RSA 77-E:3, II and III.
<b>LINE 14</b>	Enter the amount of line 12 less line 13.
<b>LINE 15</b>	Enter the DIVIDEND FACTOR from line 11.
<b>LINE 16</b>	Enter the product of line 14 multiplied by line 15. If negative, show in parenthesis e.g. (\$50).
<b>LINE 17</b>	If line 16 is <b>negative</b> , enter <b>0</b> on line 17. If line 16 is positive, enter the same amount on line 17.  <b>ENTER THE AMOUNT FROM LINE 17 ON LINE 1 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.</b>

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LINE-BY-LINE INSTRUCTIONS (continued)

<b>COMPENSATION AND WAGES APPORTIONMENT, INCLUDING DEFERRED COMPENSATION</b>	
<b>LINE 18</b>	<p>Enter the amount of everywhere compensation paid or accrued, including deferred compensation. Include all wages, salaries, fees, bonuses, commissions or other payments paid or accrued in the taxable period. This includes compensation on behalf of or for the benefit of employees, officers or directors of the business enterprise and subject to or specifically exempt from withholding under section 3401 of the US Internal Revenue Code.</p> <p>Payments made expressly exempt from withholding under Sections 3401 (a) (1), (9), (10), (13), (14), (15), (16), (18), (19) and (20) of the US Internal Revenue Code should not be included in line 18.</p>
	<p><b>FOR PROPRIETORSHIPS AND PARTNERSHIPS:</b> The compensation amount entered on line 18 should include the amount of any compensation deduction taken under the Business Profits Tax pursuant to RSA 77-A:4, III in the taxable period. It should also include any net earnings from self-employment subject to tax under Section 1401 of the US Internal Revenue Code to the extent it was not included in the amount of any deduction taken under the Business Profits Tax pursuant to RSA 77-A:4, III in the taxable period.</p>
<b>LINE 19</b>	Enter the amount of any net earnings from self-employment which are retained and used for the reasonable needs of the enterprise. See Rev 2403.01 for further clarification.
<b>LINE 20</b>	Enter the amount of line 18 less line 19.
<b>LINE 21</b>	Enter the COMPENSATION FACTOR from line 3.
<b>LINE 22</b>	Enter the product of line 20 multiplied by line 21.
<b>LINE 23 and LINE 28</b>	If line 16 is positive or 0, enter 0 on lines 23 and 28. If line 16 is negative, then this amount may be applied on line 23 to offset "TAXABLE COMPENSATION" or applied on line 28 to offset "TAXABLE INTEREST". The amount entered on line 23 cannot exceed the amount on line 22. The amount entered on line 28 cannot exceed the amount on line 27. The sum of lines 23 and 28 cannot exceed the amount on line 16.
<b>LINE 24</b>	<p>Enter the amount of line 22 less line 23.</p> <p><b>ENTER THE AMOUNT FROM LINE 24 ON LINE 2 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.</b></p>
<b>INTEREST APPORTIONMENT</b>	
<b>LINE 25</b>	Enter the amount of interest paid or accrued. Per RSA 77-E:1, XI, "interest" means all amounts paid or accrued for the use or forbearance of money or property. The term "interest" shall not include amounts paid, credited or set aside in connection with reserves by insurers to fulfill policy and contractual responsibilities to policy holders or by voluntary employees' beneficiary associations qualified under section 501(c) (9) of the US Internal Revenue Code to fulfill obligations to members.
<b>LINE 26</b>	Enter the INTEREST FACTOR from line 6
<b>LINE 27</b>	Enter the product of line 25 multiplied by line 26.
<b>LINE 28</b>	See instructions for line 23.
<b>LINE 29</b>	<p>Enter the amount of line 27 less line 28.</p> <p><b>ENTER THE AMOUNT FROM LINE 29 ON LINE 3 OF YOUR BUSINESS ENTERPRISE TAX RETURN, FORM BET OR FORM BET-PROP.</b></p>