

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**PROPRIETORSHIP BUSINESS PROFITS TAX RETURN**

**SEQUENCE # 4**

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

Due date for CALENDAR year is on or before April 18, 2000 or the 15th day of the 4th month after the close of the fiscal period.

**YOU ARE REQUIRED TO FILE THIS FORM IF GROSS BUSINESS INCOME WAS GREATER THAN \$50,000.**

<b>STEP 1</b> Please Print or Type	LAST NAME	FIRST NAME & INITIAL	SOCIAL SECURITY NUMBER		
	SPOUSE'S LAST NAME	FIRST NAME & INITIAL	SPOUSE'S SOCIAL SECURITY NUMBER		
<b>STEP 2</b> Figure Your Tax	Husband and wife may NOT combine net results of separately held business organizations. Attach all applicable Federal Forms.				
	<b>1 NET PROFIT OR (LOSS) FROM BUSINESS</b> (Federal Form 1040, Sch. C, line 31) .....		<b>COLUMN A</b> Your Income	<b>COLUMN B</b> Spouse's Income	
	2 <b>RENTAL INCOME OR (LOSS)</b>				
	(a) Income or Loss From <b>Rental</b> Activity (Federal Form 1040, Sch. E, line 22 column A + B + C) .....				
	(b) Net Farm Rental Profit or Loss (Federal Form 4835, line 32) .....				
	(c) <b>TOTAL</b> .....		2(c)		
	3 <b>NET FARM PROFIT OR (LOSS)</b> (Federal Form 1040 Sch F, line 36) .....		3		
	<b>4 NET GAIN OR (LOSS) FROM SALE OF ASSETS HELD FOR USE IN BUSINESS, FARMING AND/OR RENTAL PURPOSES</b> (See instructions) Attach schedule if additional space is needed. (Federal Form 4797)				
	(1) Description of Property	(2) Gains or Losses	(3) Accumulated Passive Loss	(4) Total Column 2 + 3	(5) Total Attributed To You
	(6) Total Attributed To Spouse				
	(a) _____				
	(b) _____				
	(c) <b>TOTAL</b>			4(c)	4(c)
	<b>5 INSTALLMENT GAIN OR (LOSS)</b> (See instructions) Attach schedule if additional space is needed. (Federal Form 6252)				
(1) Date of Original Sale Mo Day Year	(2) Taxable Gains or Losses	(3) Accumulated Passive Loss	(4) Total Column 2 + 3	(5) Total Attributed To You	
(6) Total Attributed To Spouse					
(a) _____					
(b) _____					
(c) <b>TOTAL</b>			5(c)	5(c)	
6 Gross Business Profits [Combine lines 1, 2(c), 3, 4(c), and 5(c)] .....	6				
7 Compensation for Personal Services (See instructions) .....	7	( )			
8 Subtotal (Line 6 less line 7. If negative, show in brackets. (See instructions for NOL carry forward provision)...	8				
9 NH Net Operating Loss Deduction (Attach Form DP-132) .....	9	( )			
10 Other Additions and Deductions per RSA 77-A:4 (If negative, show in parenthesis) .....	10				
11 Adjusted Gross Business Profits .....	11				
(Line 8 minus line 9 adjusted by line 10. If negative, show in parenthesis.)					
12 New Hampshire Apportionment (Form DP-80, line 5. Express as a decimal to 6 places.) .....	12	•			
Interstate Proprietorships must apportion income – See DP-80 instructions.					
13 New Hampshire Taxable Business Profits (Line 11 x 12. If negative, enter 0.) .....	13				
14 New Hampshire Business Profits Tax (Line 13 x 8%) .....	14				
<b>STEP 3</b> Figure Your Credits	15 Credits: allowed under RSA 77-A:5 as shown on Form DP-160 .....	15			
	16 Subtotal (Line 14 less line 15) .....	16			
	17 Business Enterprise Tax Credit (See instructions) .....	17			
	18 Business Enterprise Tax Credit to be applied against Business Profits Tax (Enter the lesser of line 16 or line 17. See instructions) .....	18			
	19 (a) NH Business Profits Tax Net of Statutory Credits (Line 16 less line 18) .....	19(a)			
(b) NH Business Profits Tax Net of Statutory Credits (Sum of line 19(a), Columns A and B. <b>IF NEGATIVE, ENTER 0.</b> ) .....	19(b)				

**ENTER THE AMOUNT FROM LINE 19(b) ON LINE 1(b) OF THE BUSINESS TAX SUMMARY FORM.  
IF YOU HAVE COMPLETED THIS RETURN IT MUST BE FILED WITH THE BT-SUMMARY.**

**BUSINESS PROFITS TAX RETURN**

LINE-BY-LINE INSTRUCTIONS

<p><b>STEP 1</b> Name and Social Security Number</p>	<p>At the top of the return enter the beginning and ending dates of the taxable period if different than the calendar year 1999.</p> <p>Please PRINT the taxpayer's name and social security number in the spaces provided. Joint returns must include spouse's name and social security number. Social security numbers are required pursuant to the authority granted by 42 USC, Section 405.</p>
<p><b>STEP 2</b> Figure Your Tax</p>	<p>Husband and wife may NOT combine net results of separately held business organizations. All applicable federal forms must be attached.</p> <hr/> <p><b>Line 1: PROFIT OR (LOSS) FROM BUSINESS</b></p> <p>Enter the total net income (loss) of all separately owned Schedule C business activities in the respective column indicating ownership. Please be sure to enter the net income (loss) from all of your separate business activities in your column and all of the net income (loss) from your spouse's separate business activities in the spouse's column. <b>SPOUSES JOINTLY OWNING AND OPERATING A SCHEDULE C BUSINESS ACTIVITY WILL BE PRESUMED TO BE A SINGLE PROPRIETORSHIP AND SHOULD REPORT THE TOTAL INCOME (LOSS) UNDER ONE COLUMN. IF A LOSS, SHOW DOLLAR AMOUNTS IN PARENTHESIS, E.G. (\$50).</b></p> <p>If any of the Schedule C activity is conducted outside New Hampshire, you must report on line 1 the TOTAL net income (loss) from all Schedule C activity. You are also required to complete and file Form DP-80, Apportionment of Income. See line 12 for further instructions on apportionment.</p> <hr/> <p><b>Line 2: RENTAL INCOME OR (LOSS)</b></p> <p>Enter the total amount of rental income (loss) attributable to you and/or your spouse under the appropriate column. <b>SPOUSES JOINTLY OWNING OR SELLING RENTAL PROPERTY WILL BE PRESUMED TO BE A SINGLE PROPRIETORSHIP AND SHOULD REPORT THE TOTAL RENTAL INCOME (LOSS) UNDER ONE COLUMN.</b> If the rental income (loss) is derived from joint ownership and the other owner is not reporting on this form, attach a schedule showing the joint owner's name(s), social security number(s) and respective share of net income (loss).</p> <p>If rental property is owned both within and without New Hampshire, you must report on line 2 the TOTAL net income (loss) from all rental property activity. You are also required to complete and file Form DP-80, Apportionment of Income. See line 12 for further instructions on apportionment.</p> <p>(a) Enter the total of Federal Form 1040, Schedule E, line 22, columns A + B + C. Include only the line 22 amounts attributable to rental activity; do not include royalty income or expenses.</p> <p>(b) Enter the amount shown on Federal Form 4835, Net Farm Rental Profit or Loss, line 32. If a loss, show dollar amount in parenthesis, e.g. (\$50).</p> <p>(c) Enter the sum of lines 2(a) and 2(b) on line 2(c) separately for Column A and Column B.</p> <hr/> <p><b>Line 3: FARM INCOME OR (LOSS)</b></p> <p>Enter the total amount of your net farm profit or (loss) from Federal Form 1040, Schedule F, line 36.</p> <hr/> <p><b>Line 4: NET GAIN AND/OR (LOSS) ON SALE OF ASSETS FROM A BUSINESS, FARMING AND/OR RENTAL ACTIVITIES.</b></p> <p>Lines 4(a) and 4(b). If you need additional space, please attach a schedule.</p> <p>Column 1: Enter the description of property held or used for business as shown on Federal Form 1040, Schedule D or Form 4797, e.g. land, building, vehicle, etc.</p> <p>Column 2: Enter the amount shown on Schedule D or Form 4797 as a gain or loss. If a loss, show dollar amount in parenthesis, e.g. (\$50).</p> <p>Column 3: Enter any amount which is attributable to an accumulated passive loss used to calculate the gain or loss reported in Column 2.</p> <p>Column 4: Enter the total of Column 2 plus Column 3.</p> <p>Column 5: Enter the amount shown in Column 4 which is attributable to you.</p> <p>Column 6: Enter the amount shown in Column 4 which is attributable to your spouse.</p> <p>Line 4(c) Enter the total of lines 4(a) and 4(b) on line 4(c) separately for Column A and Column B.</p> <hr/> <p><b>Line 5: INSTALLMENT GAIN OR LOSS</b></p> <p>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-1040. 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 calling (603) 271-2192.</p> <p>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. You MUST file a return every year, regardless of the amount of installments, if the actual sales price exceeded \$6,000 for tax years ending prior to July 1, 1981, or \$12,000 for tax years ending July 1, 1981, through June 30, 1993, or \$50,000 for tax years ending July 1, 1993, and after.</p>

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

<b>STEP 2 (continued)</b>	Line 5 (continued) Line 5(a) and 5(b). If you need additional space, please attach a schedule. <ul style="list-style-type: none"> <li>Column 1: Enter the original date of the sale.</li> <li>Column 2: Enter the taxable amount of gain or loss from Federal Form 6252 for this tax year. If a loss, show dollar amount in parenthesis, e.g. (\$50).</li> <li>Column 3: Enter any amount which is attributable to an accumulated passive loss used to calculate the gain or loss reported in Column 2.</li> <li>Column 4: Enter the total of Column 2 plus Column 3.</li> <li>Column 5: Enter the amount shown in Column 4 which is attributable to you.</li> <li>Column 6: Enter the amount shown in Column 4 which is attributable to your spouse.</li> </ul>
	Line 5(c) Enter the total of lines 5(a) and 5(b) on line 5(c).
	Line 6: Combine lines 1, 2(c), 3, 4(c) and 5(c) separately for Column A and Column B.
	Line 7: <b>COMPENSATION FOR PERSONAL SERVICES</b> Enter on line 7 the dollar value of the services performed by the proprietor during the taxable period. Enter your compensation in Column A and enter your spouse's compensation in Column B. Compensation is only allowed for the proprietor who actually renders personal services to the business organization. The <b>MINIMUM</b> statutory deduction of \$6,000 is allowed for actual services rendered during the tax period even if such services are valued at less than \$6,000. RSA 77-A:4 limits the <b>MAXIMUM</b> compensation deduction to the sum of the following amounts included in your federal income tax schedules: <ul style="list-style-type: none"> <li>(1) Net profit or loss from Federal Form 1040, Schedule C;</li> <li>(2) Income or loss from rental properties from Federal Form 1040, Schedule E;</li> <li>(3) Net farm profit or loss from Federal Form 1040, Schedule F;</li> <li>(4) 15% of the sales price as shown on Federal Form 4797 or 6252 for the sale of business assets <u>provided</u> you acted as the broker or agent and no other broker or agent was involved in the sale of the property.</li> <li>(5) <b>In instances where the proprietor acts as a co-broker, the maximum deduction shall be the difference between the 15 percent of the actual sales price and the amounts paid to other brokers or agents.</b></li> </ul> <p>To determine the reasonableness of the compensation deduction, use comparative compensation data from business organizations of similar size, volume and complexity from industry statistics or from publications such as, but not limited to, The American Almanac of Jobs and Salaries or the New Hampshire Wages and Benefits Survey. <b>You must maintain adequate records to substantiate the activities performed by you and the methods used to determine the rate of compensation for such activities.</b></p>
	Line 8: <b>SUBTOTAL</b> Enter the amount of line 6 less line 7 separately for Column A and Column B. If a loss, show dollar amount in parenthesis, e.g. (\$50). If either column is negative, this amount represents the net operating loss for you or your spouse available for future deduction. A future NOL deduction is still subject to the carryback and carryforward provisions and apportionment provisions pursuant to RSA 77-A:3, RSA 77-A:4, and Rev 303.03(d).
	Line 9: <b>NH NET OPERATING LOSS DEDUCTION</b> Enter the amount of carryover loss available as shown on line 6 of Form DP-132. A separate Form DP-132 must be filed for you and your spouse. Form DP-132 must be attached to the return.
	Line 10: <b>OTHER ADDITIONS AND DEDUCTIONS</b> Enter in Column A the net total of all your other additions and deductions allowed or required under RSA 77-A:4. Enter the net total of your spouse's additions and deductions in Column B. Show negative amounts in parenthesis, e.g. (\$50).
	Line 11: <b>ADJUSTED GROSS BUSINESS PROFITS</b> Enter the total of line 8 less line 9 adjusted by line 10. If negative, show in parenthesis e.g. (\$50).
	Line 12: <b>NEW HAMPSHIRE APPORTIONMENT</b> Proprietorships which have business activity, including rental activity, both within and without this state AND which are subject to income taxes (or a franchise tax measured by net income) in another state, whether or not actually imposed by the other state, must apportion its gross business profits to New Hampshire by using Form DP-80, Apportionment of Income. If you and your spouse each conduct separate business activities both within and without New Hampshire, each must complete a separate Form DP-80. Be sure to identify your form by using your social security number and your spouse's form by using your spouse's social security number. Form DP-80 may be obtained by calling (603) 271-2192. After completing Form DP-80, enter the apportionment percentage on line 12 of your Form NH-1040. Show to six decimal places. <b>All others enter 1.00 on line 12.</b>

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**BUSINESS PROFITS TAX RETURN**  
LINE-BY-LINE INSTRUCTIONS (continued)

<b>STEP 2 (continued)</b>	Line 13: Enter the product of line 11 multiplied by line 12. If negative, enter 0.
	Line 14: Enter the product of line 13 multiplied by 8%.
<b>STEP 3 Figure Your Credits</b>	Line 15: CREDITS Enter the amount of credits allowed under RSA 77-A:5. <b>Form DP-160, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on line 15.</b> If both you and your spouse are claiming credits on line 15, then you must file two separate DP-160 Forms. Be sure to identify your form by using your social security number and your spouse's form by using your spouse's social security number. Form DP-160 may be obtained by calling (603) 271-2192. <b>DO NOT INCLUDE THE BET CREDIT ON THIS LINE.</b>
	Line 16: Enter the amount of line 14 less line 15.
	Line 17: BUSINESS ENTERPRISE TAX CREDIT To calculate the BET credit to be applied against this years BPT, complete the following worksheet for both you and your spouse.

**BET CREDIT WORKSHEET**

	Tax period ended ___/___/___	Tax period ended ___/___/___	Tax period ended ___/___/___	Tax period ended ___/___/___	Tax period ended ___/___/___
A BET Credit Carryforward Amount. *See note below.	<input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>
B Current year BET Liability LESS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C Current year BPT Liability	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D Enter the amount of line B less line C. IF NEGATIVE, ENTER 0.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E BET Credit available for a deduction this tax period. Sum of line A and line B.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F BET Credit deduction this year. The amount on line F should be entered on line 17 of NH-1040.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G Credit carryforward Amount. Line E less line F. Carry this amount forward and indicate on line A under subsequent year.	<input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>	→ <input type="text"/>

\*Note: The line A amount is from line G of the previous year's BET CREDIT WORKSHEET. If this is the initial year of the BET (Tax periods ending on or after 7/1/93) indicate 0.

	Line 18: Enter the lesser amount of line 16 or line 17. If line 17 is greater than line 16, then a "Business Enterprise Tax Credit" carryover exists. Any unused portion of the current year's Business Enterprise Tax Credit may be carried forward and allowed against any Business Profits Tax due in the next five taxable periods.
	Line 19: BUSINESS PROFITS TAX NET OF STATUTORY CREDITS (a) Enter the amount of line 16 less line 18. (b) Enter the sum of line 19(a) Columns A and B. <b>IF NEGATIVE, ENTER 0.</b>

**ENTER THE AMOUNT FROM LINE 19(b) ON LINE 1(b) OF THE BUSINESS TAX SUMMARY FORM.**