

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**BUSINESS ENTERPRISE TAX RETURN INSTRUCTIONS**

**FORM BET** is required for all Corporations, Partnerships, Estates, Trusts, Non-Profits, LLC's and Combined Groups to report Business Enterprise Tax.

**FORM BET-PROP** is required for Proprietorships and Single Member Limited Liability Companies that are disregarded for purposes of federal taxation and the member is an individual to report Business Enterprise Tax.

**STEP 1: NAME, IDENTIFICATION NUMBER, AND TAXABLE PERIOD**

Whenever FEIN's or SSN's are required, taxpayers who have been issued a DIN, shall use their DIN only, and not the FEIN or SSN.

At the top of the return enter the beginning and ending dates of the taxable period if different than the calendar year.

**FORM BET:** PRINT the Corporate, Partnership, Estate, Trust, Non-Profit or LLC name. Combined filers PRINT the Principal NH Business Organization's name. Enter the Federal Employer Identification, Social Security or Department Identification Number in the space provided.

**FORM BET-PROP:** Print the primary individual's name and SSN and the spouses name and SSN, if both have a filing requirement. SMLLCs issued a unique and separate Federal Employer Identification Number (FEIN) must enter the FEIN and not the individual member's SSN.

**BET-80 APPORTIONMENT**

If your business activity is conducted both inside and outside New Hampshire and is subject to tax in another state, whether or not actually imposed by the state, complete Form BET-80, BUSINESS ENTERPRISE TAX APPORTIONMENT, to determine the values for Lines 1, 2 and 3 of the Form BET.

Note: Combined group filers are required to complete the BET-80-WE to account for each individual nexus entity to determine the values for Lines 1, 2, and 3 of the Form BET.

BET Nexus differs from BPT Nexus (see RSA 77-E).

If both you and your spouse/CU Partner conduct separate business activities both inside and outside New Hampshire, then each must complete a **separate** Form BET-80 (which may be obtained by accessing our web site at [www.nh.gov/revenue](http://www.nh.gov/revenue) or by calling (603) 271-2192). After completing Form BET-80, enter the amount from Line 17 on Line 1 of your Form BET-PROP. Enter the amount from Line 24 on Line 2 of your Form BET-PROP. Enter the amount from Line 29 on Line 3 of your Form BET-PROP. Proceed to Line 4.

**STEP 2: COMPUTE THE TAXABLE ENTERPRISE VALUE TAX BASE**

If business activity was both **inside and outside** NH:

Line 1 Enter the total amount from the BET-80, Line 17\*  
Line 2 Enter the total amount from the BET-80, Line 24\*  
Line 3 Enter the total amount from the BET-80, Line 29\*  
Line 4 Enter the sum of Lines 1, 2, and 3.

\* Combined filers must transfer the amounts from BET-80-WE Lines 17 (a), 24 (a) and 29 (a) respectively.

If business activity was **100% inside** New Hampshire:

Line 1 Enter the total dividends paid.  
Line 2 Enter the total compensation on wages paid or accrued.  
Line 3 Enter the total interest paid or accrued.  
Line 4 Enter the sum of Lines 1, 2, and 3.

See BET Quick Checklist for what is a dividend, compensation or interest.

**LINE 1: DIVIDENDS PAID**

Enter the amount of dividends paid.

**LINE 2: COMPENSATION AND WAGES PAID OR ACCRUED**

Enter the amount of compensation paid or accrued, per RSA 77-E:1,V, 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 IRC.

The compensation amount entered on Line 2 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 IRC 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. Regarding partnerships, the net earnings from self-employment do include a partner's distributive share of the partnership earnings.

**LINE 3: INTEREST PAID OR ACCRUED**

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.

**LINE 4: TAXABLE ENTERPRISE VALUE TAX BASE**

Enter the sum of Lines 1, 2 and 3.

Form BET-PROP: Enter the sum of Lines 1, 2 and 3, columns A and B.

**STEP 3: FIGURE YOUR TAX**

**LINE 5: NEW HAMPSHIRE BUSINESS ENTERPRISE TAX**

Multiply Line 4 by .0075.

Form BET-PROP: Multiply Line 4, columns A & B by .0075.

Line 5 is the sum of Line 5(a), column A & B.

**LINE 6: STATUTORY CREDITS**

**CDFA Credit (Investment Tax Credit RSA 162-L:10 & RSA 77-A:5,XI).** Enter the amount of any CDFA Investment Tax Credit claimed pursuant to RSA 162-L:10. The amount of the credit shall not exceed the lesser of the total Business Enterprise Tax liability or \$200,000 for tax periods ending prior to July 1, 1999 or \$1,000,000 for tax periods ending after June 30, 1999. If you also claim this credit on your BPT or other tax forms(s) the combined total shall not exceed \$200,000 for tax periods ending prior to July 1, 1999 or \$1,000,000 for tax periods ending after June 30, 1999.

**Community Reinvestment and Opportunity Zone Tax Credit ("CROP").** RSA 162-N:7 CROP Zone Tax Credit was repealed for tax years ending on or after 7/1/07. The law provided that the credit shall be available for tax liabilities arising during the 5 consecutive tax periods following the signing of the agreement. As a result, although the law was repealed, the carry forwards may be available.

**Economic Revitalization Zone (ERZ) Tax Credit.** The ERZ may be utilized as a credit against BET or BPT. The ERZ Credits applied first against BPT shall not be available as a credit against BET. ERZ Credit applied first against BET shall be considered BET paid and available as a credit against BPT only to the extent it is a credit against BET. The NH Department of Resources and Economic Development (DRED) awards the ERZ Credit pursuant to RSA 162-N.

**Research & Development Tax Credit** enter the unused amount of BPT credit awarded by the Department with taxpayer's application (Form DP-165) pursuant to RSA 162-P.

**Coos County Job Creation Tax Credit** enter the amount taken (DRED Form CJCTC-1A application) as authorized by Department of Resources & Economic Development (DRED) by RSA 162-Q.

Enter the sum of 6(a) through 6(e) on Line 6.

**LINE 7: NEW HAMPSHIRE BUSINESS ENTERPRISE TAX BALANCE DUE**

Enter the amount of Line 5 minus Line 6. **IF NEGATIVE, ENTER ZERO.**

**ENTER THE AMOUNT FROM LINE 7 ON LINE 1(a) OF THE BT-SUMMARY.**

# QUICK CHECKLIST

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## - DIVIDENDS -

*"Dividends" means any distribution of money or property, other than the distribution of newly issued stock, to owners of the business enterprise with respect to their ownership interest in such enterprise from the accumulated revenues and profits of the enterprise.*

### **Dividends Subject to Tax**

- All property transferred from the accumulated profits of a business enterprise to an owner with respect to the owner's ownership interest.
- All personal expenditures made by a business enterprise on behalf of an owner which have not been properly reported as compensation or loans for federal income tax purposes.
- Forgiveness of an owner's indebtedness to the business enterprise, unless reported as compensation or interest to the individual and included in those elements of the Enterprise Value Tax Base.
- Automatic re-investment of property distributed from accumulated profits into additional stock.

### **Non-Taxable Dividends**

- Amounts deducted under RSA 77-A:4, III for personal services of the proprietor or partner. (also see the compensation section).
- Distribution in liquidation or in complete redemption of an owner's interest.
- Any deemed dividend election that may be made by members of an affiliated group.
- Cash or non-cash payments of life, sickness, accident, or other benefits to members or their dependents or designated beneficiaries from VEBA'S (Voluntary Employees' Beneficiary Association) qualified under Section 501(c)(9) of the IRC.
- Distributions of money or property to participants from any common trust fund as defined under Section 584 of the IRC.
- Life insurance dividends.
- Payments of interest on deposits of depositors of a mutual bank or credit union.
- Distributions of money or property to or on behalf of beneficiaries of a trust which is either subject to taxation under Section 641 or 664 of the IRC.
- Patronage dividends.
- Distributions of money or property to beneficiaries of a trust qualified under Section 401 of the IRC.
- Policy holder dividends as defined under Section 808 of the IRC, to extent such dividends are not reduced pursuant to Section 809 of the IRC.

# QUICK CHECKLIST

## - COMPENSATION -

*“Compensation” means all wages, salaries, fees, bonuses, commissions or other payments paid or accrued in the taxable period on behalf of employees, officers or directors of the business enterprise and subject to, or specifically exempt from, withholding under IRC 3401.*

### Compensation Subject to Tax

- Wages subject to federal income tax withholding.
- Contributions on behalf of employees to qualified pension, profit-sharing and stock bonus plans.
- Contributions on behalf of employees to annuity or deferred-payment plans.
- Fringe benefits provided to and included in gross income of employees for federal income tax purposes.
- Imputed interest on a below market compensation related loan between employer and employee.
- The “Compensation for Personal Services” deduction taken on the New Hampshire BPT return by a proprietorship, partnership, or limited liability company pursuant to RSA 77-A:4, III.
- The remainder, if any, of the guaranteed payments to partners reduced by the New Hampshire BPT Compensation for Personal Services deduction.
- Other payments, including the payment of debts, expenses or other liabilities pursuant to Rev 2402.01.

### Non-taxable Compensation

- Payment for independent contractors where no employer/employee relationship exists.
- Payments in the form of or for the following services:
  - IRC 3401(a) (1) Members of the armed forces
  - IRC 3401(a) (9) Ministers
  - IRC 3401(a) (10) Paper boys and girls under the age of 18
  - IRC 3401(a) (13) Volunteers of Peace Corps
  - IRC 3401(a) (14) Group term life insurance on the life of an employee
  - IRC 3401(a) (15) Moving expenses
  - IRC 3401(a) (16) Non-cash or cash tips to an employee if not deductible by the employer
  - IRC 3401(a) (18) Educational assistance
  - IRC 3401(a) (19) Scholarships
  - IRC 3401(a) (20) Medical reimbursements.
- Health Insurance.
- Taxpayer's distributive share of net earnings from a trade or business conducted by another business enterprise.
- Self-employment income retained for use in enterprise but not deducted under RSA 77-A:4, III.

## - INTEREST -

*“Interest” means all amounts paid or accrued for the use or forbearance of money or property.*

### Interest Subject to Tax

- Interest paid or accrued not reduced by interest income or other fee income and without regard to any federal deductibility limitation or federal capitalization requirements.
- Property transferred by a business enterprise not classified as interest, but the substance of the transaction indicates that the payment was made in lieu of interest.

### Non-taxable Interest

- Amount paid, credited or set aside in connection with reserves by insurers to fulfill policy and contractual responsibilities to policy holders.
- Amount paid by VEBA's (Voluntary Employees' Benefit Associations) qualified under Section 501(c) (9) of the IRC to fulfill obligations to members.