

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**CORPORATION BUSINESS PROFITS TAX RETURN**  
**FORM NH-1120 INSTRUCTIONS**

**STEP 1: NAME & IDENTIFICATION NUMBER**

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

PRINT the taxpayer's name, Federal Employer Identification Number (FEIN), or Department Identification Number (DIN) code in the spaces provided.

**STEP 2: QUESTIONS**

Line A Check "yes" if the corporation files its tax return on an IRS approved 52/53 week tax year. If yes provide the beginning and ending period dates.

Line B Check "yes" if the corporation files with the IRS as part of a federal consolidated return.

Line C Check "yes" if the corporation is affiliated with any other business organization that files New Hampshire business tax returns.

Line D Check "yes" if the corporation files as part of a unitary group in any other jurisdiction.

Line E New Hampshire requires business organizations that are conducting a unitary business inside and outside New Hampshire to file a combined business profits tax return. (A member of the unitary group must be subject to tax in another jurisdiction.) There is a New Hampshire Combined Business Tax booklet with information, forms and instructions specifically for combined groups. Combined groups are **required to use Form NH-1120-WE** which can be obtained from our web site at [www.nh.gov/revenue](http://www.nh.gov/revenue) or by calling (603) 271-2192.

**STEP 3: FIGURE YOUR TAX**

**LINE 1: GROSS BUSINESS PROFITS**

IRC RECONCILIATION: Check the box and complete the Schedule R to reconcile federal taxable income to NH taxable income based on the IRC in effect on December 31, 2000.

- (a) If you checked the IRC Reconciliation box, Line 4 of the Schedule R is entered here. If not, enter the amount of taxable income or loss before application of the net operating loss deduction or other special deductions from the federal corporate tax return (Line 28). "S" Corporations including qualified subchapter "S" subsidiaries are required to complete Form DP120, Computation of "S" Corporation Gross Business Profits. Other corporations filing special federal corporate tax returns must include the income that is comparable to a Subchapter "C" corporation's taxable income before net operating loss deduction and special deductions. Corporations who file a consolidated federal return must include the amount which would have been shown as their taxable income before net operating loss deduction and special deductions if they were not part of the federal consolidated group and a separate return had been required.
- (b) Enter the amounts which arise from the necessity of adjusting gross business profits to accommodate the New Hampshire requirement of separate entity treatment for business organizations. Other items of income could be passive activity adjustments, and items of income or expense related to treatment of these items that may be inconsistent with State tax treatment.
- (c) Enter the total of Lines 1(a) and Line 1(b). If this total is negative, this amount represents the organizations net operating loss available or future deduction may be subject to apportionment provisions.

**LINE 2: ADDITIONS AND DEDUCTIONS**

- (a) Enter the total New Hampshire Business Profits Tax and any income tax, franchise tax measured by net income or capital stock tax assessed by any state or political subdivision that was deducted on this year's federal return. Attach a schedule of taxes by state. Do not include the New Hampshire Business Enterprise Tax liability in this amount.
- (b) Enter the amount of carryforward loss available as shown on Line 11 of Form DP-132. **Form DP-132 must be attached to the return.**
- (c) Enter the amount of gross business profits as is attributable to income derived from non-taxable interest on notes, bonds or other direct securities of the United States.
- (d) Enter the amount of the jobs credit (IRC Section 280C) deducted on this year's federal return.

- (e) Enter the amount of gross business profits that is attributable to foreign dividend gross-ups as determined in accordance with IRC Section 78.
- (f) Expenses paid or incurred that relate to the constitutionally exempt income must be added back here.
- (g) In the case of a business organization which makes qualified research contributions as defined in RSA 77-A:1,X, the gross business profits shall be adjusted by: (a) adding to gross business profits the amount deducted under IRC Section 170 in arriving at federal taxable income; and (b) deducting from gross business profits an amount equal to the sum of the taxpayer's basis in the contributed property plus 50 percent of the unrealized appreciation, or twice the basis of the property, whichever is less.
- (h) For taxable periods ending on or after 12/31/09, an LLC that has elected to be taxed as a corporation will no longer be subject to tax under RSA 77. However, all distributions to New Hampshire members will be subject to tax under RSA 77.
- (i) Enter an addition equal to any return of capital previously taken as a deduction pursuant to RSA 77-A:4, XVII as a capital contribution to a Qualified Investment Capital Company if such return of capital is received within 3 taxable periods after the taxable period in which it was deducted.
- (j) Enter the total of Lines 2(a) through 2(i) on Line 2(j). Show negative amounts in parenthesis, e.g. (\$50).

**Line 3: ADJUSTED GROSS BUSINESS PROFITS**

Enter the total of Line 1(c) adjusted by Line 2(j). Show negative amounts in parenthesis, e.g. (\$50).

**Line 4: NEW HAMPSHIRE APPORTIONMENT**

Corporations which have business activity both inside and outside New Hampshire AND which are subject to income taxes, a franchise tax measured by 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, must apportion their gross business profits to New Hampshire by using Form DP-80, Apportionment of Income. After completing the Form DP-80, enter the apportionment percentage on Line 4 of your Form NH-1120. Show to six decimal places. **All others enter 1.00 on Line 4.**

**Line 5**

Enter the product of Line 3 multiplied by Line 4. If negative, enter zero.

**Line 6**

Enter the product of Line 5 multiplied by 8.5%.

**STEP 4: Figure Your Credits**

**Line 7: CREDITS**

Enter the amount of credits allowed under RSA 77-A:5 as shown on Form DP-160. **Form DP-160, Schedule of Business Profits Tax Credits, must be filed with the return to support all credits claimed on Line 7. Do not include the Business Enterprise Tax Credit on this line.**

**Line 8**

Enter the amount of Line 6 minus Line 7.

**Line 9**

Business Enterprise Tax paid shall be applied as a credit against Business Profits Tax. Any unused portion of the credit may be carried forward and allowed against Business Profits Tax due for up to five taxable periods from the period in which the Business Enterprise Tax was paid. To calculate the Business Enterprise Tax credit to be applied against this years Business Profits Tax, complete the BET-Credit Worksheet.

**Line 10**

Enter the lesser amount of Line 8 or Line 9. If Line 9 is greater than Line 8, then a Business Enterprise Tax Credit carryforward exists. Any unused portion of the current tax periods credit may be carried forward and credited against any Business Profits Tax due in a subsequent taxable period following the taxable period of the Business Enterprise Tax liability.

**Line 11**

Enter the amount of Line 8 minus Line 10.  
Enter the amount from Line 11 on Line 1(b) of the BT-Summary.