

New Hampshire BET and BPT Corporate Test Case 4 - 2017

This test case is of a corporate Business Enterprise Tax and Business Profits Tax Return for a business organization doing business within NH only. Furthermore, the taxpayer utilizes Net Operating Losses from two previous tax periods, which will require Form DP-132, Net Operating Loss (NOL) Deduction to be included. The amounts reported are carried over from the Federal Form 1120S (not included in test scenario). The tax due is \$3,652 prior to application of payments in the amount of \$2,900 resulting in a balance due of \$752.

Federal Forms: Not included

New Hampshire Form(s): BT-SUMMARY, BET, NH-1120, DP-120, DP-131-A, and DP-132

Taxpayer:

PQR INC

123 MAIN ST

WOLFEBORO, NH 03894

SSN: TAXPAYER: 00-4111121

Filing Status/Entity Type: CORPORATION

Other: Balance due \$752 after application of payments – electronic funds withdrawal available via ACH Debit.

DO NOT STAPLE



New Hampshire Department of Revenue Administration

2017 BT-SUMMARY



BUSINESS TAX RETURN SUMMARY

STEP 1 - PRINT OR TYPE

MMDDYYYY

MMDDYYYY

For the CALENDAR year 2017 or other taxable period beginning: 0 1 0 1 2 0 1 7 and ending: 1 2 3 1 2 0 1 7

Check box if there has been a name change since last filing. List former name.

Proprietorship Last Name

First Name MI Social Security Number

Spouse's Last Name (If property jointly owned)

If issued a DIN, DO NOT enter SSN or FEIN

First Name MI Social Security Number

Corporate, Partnership, Estate, Trust, Non-Profit or LLC Name

PQR INC

Taxpayer Identification Number Principal Business Activity Code (Federal)

0 0 4 1 1 1 1 2 1 2 7 7 8 3 3

Number & Street Address

123 MAIN ST

Address (continued)

City / Town State Zip Code + 4 (or Canadian Postal Code) WOLFEBORO NH 0 3 8 9 4

STEP 2 - Return Type and Federal Information

If "yes" to the first two questions you must complete this BT-SUMMARY or your return will be considered incomplete and may be subject to penalties.

Table with 3 columns: Question, Yes, No. Contains questions about BET/BPT returns and Form 990/990T filing.

Form with checkboxes for return types: 2 - CORPORATION, 3 - PARTNERSHIP, 1 - PROPRIETORSHIP, 5 - NON-PROFIT, 4 - FIDUCIARY, AMENDED RETURN, FINAL RETURN.

Check here if the IRS has made any agreed or partially agreed to adjustment(s) for any federal income tax return, which adjustment(s) has not been previously reported to New Hampshire. Do not use this form to report an IRS adjustment.

Enter Years Covered by IRS (MMYYYYMMYYYY) []

Check Appropriate Box:

Payment Required Refund Request Credit Next Year's Tax Liability No Payment Required



BUSINESS TAX RETURN SUMMARY - continued

STEP 3 - Complete the BET and / or BPT return(s) and then complete the BT-Summary and attach return(s)

STEP 4 - Calculate Your Balance Due or Overpayment Round to the nearest whole dollar

1 (a) Business Enterprise Tax Net of Statutory Credits	1(a)	2 0 0 0	
(b) Business Profits Tax Net of Statutory Credits	1(b)	1 6 5 2	
(c) Subtotal of Business Tax Due (Line 1(b) plus Line 1(a))		1(c)	3 6 5 2
2 PAYMENTS			
(a) Tax paid with application for extension	2(a)	5 0 0	
(b) Total of taxable period's estimated tax payments	2(b)	2 4 0 0	
(c) Credit carryover from prior tax period	2(c)		
(d) Tax paid with original return (Amended returns only)	2(d)		
(e) Total of Lines 2(a) through 2(d)		2(e)	2 9 0 0
3 TAX DUE: (Line 1(c) minus Line 2(e))		3	7 5 2
4 ADDITIONS TO TAX			
(a) Interest (See instructions)	4(a)		
(b) Failure to Pay (See instructions)	4(b)		
(c) Failure to File (See instructions)	4(c)		
(d) Underpayment of Estimated Tax (See instructions)	4(d)		
(e) Total of Lines 4(a) through 4(d)		4(e)	
5 (a) Subtotal of Amount Due (Line 3 plus Line 4(e))		5(a)	7 5 2
(b) Return Payment Made Electronically	5(b)		
(c) BALANCE DUE: Line 5(a) minus 5(b). Make your payment on-line at www.revenue.nh.gov/ or make check payable to: STATE OF NEW HAMPSHIRE PAY THIS AMOUNT		5(c)	7 5 2
6 OVERPAYMENT: If balance due is less than zero, enter on Line 6	6	0	
7 Apply overpayment amount on Line 6 to:			
(a) Credit - Next Year's Tax Liability		7(a)	
(b) Refund		DO NOT PAY	7(b)

STEP 5 - THIS RETURN MUST BE ACCOMPANIED BY COMPLETE AND LEGIBLE COPIES OF THE APPROPRIATE FEDERAL FORMS AND SCHEDULES



BUSINESS TAX RETURN SUMMARY - continued

Under penalties of perjury, I declare that I have examined this BT-Summary and the attached returns, and to the best of my belief they are true, correct and complete. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has knowledge. If a combined group, I also certify that all affiliated companies are included in the appropriate group described in this return.

POA: By checking this box and signing below, you authorize us to discuss this return with the preparer listed below.

TAXPAYER'S SIGNATURE & INFORMATION

Signature (in ink)

MMDDYYYY

0 4 1 1 2 0 1 8

Signature (in ink)

MMDDYYYY

Print Signatory Name & Title

CEO

Email Address

CEO@PQR.COM

Phone Number

6 0 3 5 6 9 8 3 3 3

Check this box if you are filing as a surviving spouse

PAID PREPARER'S SIGNATURE & INFORMATION

Signature of Preparer

MMDDYYYY

0 4 1 1 2 0 1 8

Printed Name of Preparer

TAX GUYS

Email Address

GUY@TAXGUYS.COM

Phone Number

6 0 3 5 6 9 1 2 1 2

Preparer Identification Number

P 1 1 1 2 2 2 1 2

Preparer's Address

14 LEHNER ST

Address (continued)

City / Town

WOLFEBORO

State

NH

Zip Code + 4 (or Canadian Postal Code)

0 3 8 9 4

MAIL TO: NH DRA
PO BOX 637
CONCORD NH 03302-0637

Make Check Payable to:
STATE OF NEW HAMPSHIRE



BUSINESS ENTERPRISE TAX RETURN

Taxpayer Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

MMDDYYYY

For the CALENDAR year **2017**
or other taxable period beginning:

0 1 0 1 2 0 1 7

MMDDYYYY

and ending: 1 2 3 1 2 0 1 7

You are required to file this return if the gross business receipts were greater than **\$208,000** or the enterprise value tax base is greater than **\$104,000.**

Check here if required to file Form BET-80

Round to the nearest whole dollar

Total Gross Business Receipts for this business organization

1 0 0 0 0 0 0

1. Dividends Paid

1

2. Compensation and Wages Paid or Accrued

2

2 7 7 7 7 7

3. Interest Paid or Accrued

3

4. Taxable Enterprise Value Tax Base (Sum of Lines 1, 2, and 3)

4

2 7 7 7 7 7

5. New Hampshire Business Enterprise Tax (BET) (Line 4 multiplied by .0072) before credits

5

2 0 0 0

6. Enter credits against BET. Use DP-160 to determine credit against BET

6

7. Enter Tax Due (Line 5 minus 6). If negative, enter Zero. Report on BT-SUMMARY Line 1(a)

TAX DUE 7

2 0 0 0

BET CREDIT WORKSHEET

1. Business Profits Tax (BPT) from BPT Return, Line 18 NH-1120-WE, Line 10 all other forms.

1

4 5 6 2

2. Sum the amounts from Lines 3 through 8, Column B plus other credits applied from Form DP-160 part B, not to exceed the amount on Line 1. Include the result on the BPT return, Line 19(a) NH-1120-WE or Line 11(a) all other forms. If other credits are applied, include result on BPT return, Line 19(b) NH-1120-WE, Line 11(b) all other forms.

2 9 1 0

Use carry forward amounts in the following order for this taxable period

A
Apply Credits Here

B
Sum of Credit to BPT

C
Excess Credits

3. BET tax paid amount from Line 7 BET Return plus Line 4 of DP-160, Part A.

2 0 0 0

2 0 0 0

4. Carry over BET from fifth prior taxable period

5. Carry over BET from fourth prior taxable period

6. Carry over BET from third prior taxable period

7. Carry over BET from second prior taxable period

8. Carry over BET from first prior taxable period

9 1 0

9 1 0

0



BUSINESS PROFITS TAX RETURN

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

MMDDYYYY

For the CALENDAR year **2017**
or other taxable period beginning:

0 1 0 1 2 0 1 7

MMDDYYYY

and ending: 1 2 3 1 2 0 1 7

USE FORM DP-87 TO REPORT IRS ADJUSTMENTS

1 FEDERAL TAXABLE INCOME/(LOSS)

Round to the nearest dollar

Enter Amount Reported on:

If 1120, Federal Form 1120, Line 28

If 1120S, DP-120, Line 2 (attach DP-120 to tax return)

1 5 0 0 0 0

2 INCREASE or DECREASE TO GROSS BUSINESS PROFITS TO RECONCILE TO IRC PURSUANT TO RSA 77-A:1, XX

2(a) Add amount of IRC §179 expense taken on Federal Form 4562 in excess of the amount permitted pursuant to RSA 77-A:3-b, including carryover amounts deducted in this taxable period	2(a)	
2(b) Add the amount of bonus depreciation taken on the federal return for assets placed in service this period	2(b)	3 0 0 0 0
2(c) Add the amount of Domestic Production Activities deduction taken on the federal return this taxable period (does not apply to 1120S)	2(c)	
2(d) Add any other deductions taken on the federal return that need to be eliminated or adjusted pursuant to RSA 77-A:1, XX and 77-A:3-b, III	2(d)	
2(e) Deduct regular depreciation related to IRC §179 and bonus depreciation not allowed for this taxable period or for prior taxable periods	2(e)	6 0 0 0
2(f) Deduct any other items included on the federal return that need to be eliminated or adjusted pursuant to RSA 77-A:1, XX	2(f)	
2(g) Increase or Decrease for the net gain or loss on the sale of assets used in the business which have a different State basis from the tax basis reported on the federal return	2(g)	
2(h) Net 2(a) through 2(g)	2(h)	2 4 0 0 0
3 Subtotal Line 1 adjusted by Line 2(h)	3	7 4 0 0 0
4 Separate entity items of income or expense (attach schedule)	4	
5 Gross Business Profits (combine Line 3 and Line 4)	5	7 4 0 0 0

6 ADDITIONS AND DEDUCTIONS (RSA 77-A:4)

6(a) Deduct interest on direct US Obligations (RSA 77-A:4, II)	6(a)	
6(b) Add income taxes or franchise taxes measured by income (attach schedule of taxes by State) (RSA 77-A:4, VII)	6(b)	1 6 3 4
6(c) Add federal non-recognized IRC §337 Gain (RSA 77-A:4, VIII)	6(c)	
6(d) Deduct wage adjustment required by IRC §280C (RSA 77-A:4, IX)	6(d)	
6(e) Add expenses related to constitutionally exempt income (RSA 77-A:4, X)	6(e)	
6(f) Deduct foreign dividend gross-up (IRC §78) (RSA 77-A:4, XI)	6(f)	
6(g) Deduct research contribution (attach computation) (RSA 77-A:4, XII)	6(g)	



BUSINESS PROFITS TAX RETURN ADJUSTMENTS TO GROSS BUSINESS PROFITS

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

MMDDYYYY

For the CALENDAR year **2017**
or other taxable period beginning:

0 1 0 1 2 0 1 7

MMDDYYYY

and ending: 1 2 3 1 2 0 1 7

NH-1120 continued

6(h) Deduct New Hampshire Net Operating Loss Deduction (NOLD) (attach Form DP-132) (RSA 77-A:4, XIII)

Round to the nearest dollar

NOLD available 6(h) - A 2 0 0 0 0

Less NOLD used this tax period 6(h) 2 0 0 0 0

NOLD to be carried forward 6(h) - B 0

6(i) Adjustments to gross business profits required due to the increase in the basis of assets resulting from the sale or exchange of an interest in the business organization (RSA 77-A:4, XIV)

Add the amount of the increase in the basis of assets federally, due to the sale or exchange of interest in the business organization 6(i) - A

Check yes if an election is being made to recognize the basis increase for any sale or exchange reported above Yes

Multiple Transactions (schedule attached) Yes

If not making an election, deduct the basis increase associated with the sale or exchange(s). If making an election, enter zero. If reporting multiple transactions, please attach a schedule reporting the details for each transaction. 6(i) - B

Add the amount of depreciation/amortization on the federal return attributable to an increase in the basis of assets not recognized for NH purposes 6(i) - C

Upon the sale of assets, adjust the net gain or loss attributable to an increase in the basis of assets that has not been recognized for NH purposes 6(i) - D

Net Lines 6(i) - A through 6(i) - D 6(i)

6(j) Add Qualified Investment Company (QIC) holders proportional share of QIC profits (RSA 77-A:4, XV) 6(j)

6(k) Deduct assistance payments under 12 USC §1823 (RSA 77-A:4, XVI) 6(k)

6(l) Net Lines 6(a) through 6(k) 6(l) - 1 8 3 6 6

7 Adjusted Gross Business Profits (Sum of Lines 5 and 6(l)) 7 5 5 6 3 4

8 New Hampshire Apportionment (If applicable, complete Form DP-80 BPT Apportionment Schedule. Enter percentage from Form DP-80, Line 5) Exempt under P.L. 86-272 8 0 1 . 0 0 0 0 0 0

9 New Hampshire Taxable Business Profits (Line 7 multiplied by Line 8. If negative, enter zero) 9 5 5 6 3 4

10 Compute tax (Line 9 multiplied by 8.2%) 10 4 5 6 2



BUSINESS PROFITS TAX RETURN ADJUSTMENTS TO GROSS BUSINESS PROFITS

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

For the CALENDAR year **2017**
 or other taxable period beginning:

MMDDYYYY

0 1 0 1 2 0 1 7

and ending:

MMDDYYYY

1 2 3 1 2 0 1 7

NH-1120 continued

Round to the nearest dollar

11 (a) BET Credit only - see Form BET Credit Worksheet

11(a)

2 9 1 0

-OR-

(b) Other credit including BET (attach Form DP-160)

11(b)

12 New Hampshire Business Profits Tax Net of Statutory Credits (Line 10 minus Line 11(a) or 11(b), as applicable, cannot be less than zero) Report on BT-Summary, Line 1(b)

12

1 6 5 2



WORKSHEET FOR APPORTIONMENT OF NET OPERATING LOSS (NOL)

(SEE RSA 77-A:4, XIII)

LINE 1

Enter this tax period's NOL as defined in the United States Income Tax Regulations relative to IRC § 172 in effect pursuant to RSA 77-A:4, XIII. If a gain or zero, **DO NOT** use this worksheet. (Business organizations not qualifying for treatment as a Subchapter "C" Corporation under the IRC should calculate their NOL as if the business organization were a Subchapter "C" Corporation). The line references for each tax year are listed below for your reference. Use the line reference that correspond with the tax year for which this form is being used.

LINE 2

Enter the current tax period's New Hampshire apportionment percentage from Form DP-80, Line 5, expressed to six decimal places.

LINE 3

Enter the amount of Line 1 multiplied by Line 2.

LINE 4

For taxable periods ending from July 1, 2005 to December 31, 2012, \$1,000,000 is the maximum amount that may be carried forward each year.

For taxable periods ending on or after January 1, 2013 forward, \$10,000,000 is the maximum amount that may be carried forward each year.

LINE 5

Enter the lesser of Line 3 or Line 4. This is your New Hampshire NOL available from the current tax period for carryforward. Enter this amount on Form DP-132, Column B.

COMBINED FILERS: Rev 303.03(e) states, with regard to NOLs for combined filers, that each business organization subject to RSA 77-A shall treat its apportioned share of the combined loss amount as a tax attribute that remains with that business organization. The individual member's net operating loss, pursuant to RSA 77-A:4,XIII applied to the individual member's allocated portion of the BPT liability, should be tracked in the event of an individual member's disposition or acquisition.

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

For the CALENDAR year **2017**
or other taxable period beginning:

MMDDYYYY

0 1 0 1 2 0 1 4

and ending: MMDDYYYY

1 2 3 1 2 0 1 4

1 The amount of the current period NOL (See entity type line references below)

1 1 0 0 0 0

	<u>July 1, 2005 - Tax Year 2010</u>	<u>Tax Year 2011</u>	<u>Tax Year 2012 - Present</u>
Proprietorship:	Line 6 of NH-1040	Line 3 adjusted by Line 4 of NH-1040	Line 5 of NH-1040
Fiduciary:	Line 6 of NH-1041	Line 3 adjusted by Line 4 of NH-1041	Line 5 of NH-1041
Partnership:	Line 5 of NH-1065	Line 3 adjusted by Line 4 of NH-1065	Line 5 of NH-1065
Corporation:	Line 1(c) of NH-1120	Line 3 adjusted by Line 4 of NH-1120	Line 5 of NH-1120
Combined:	Line 1(c) of NH-1120-WE	Line 11(c) of NH-1120-WE	Line 11(c) of NH-1120-WE

2 Current period apportionment percentage from Form DP-80, expressed to six decimal places

2 0 0 1 . 0 0 0 0 0 0

3 Apportionment limitations (Line 1 multiplied by Line 2)

3 1 0 0 0 0

4 Statutory limitations (See instructions above)

4 1 0 0 0 0 0 0 0 0

5 New Hampshire NOL available for carryforward (the lesser amount of Line 3 or Line 4)

5 1 0 0 0 0



WORKSHEET FOR APPORTIONMENT OF NET OPERATING LOSS (NOL)

(SEE RSA 77-A:4, XIII)

LINE 1

Enter this tax period's NOL as defined in the United States Income Tax Regulations relative to IRC § 172 in effect pursuant to RSA 77-A:4, XIII. If a gain or zero, **DO NOT** use this worksheet. (Business organizations not qualifying for treatment as a Subchapter "C" Corporation under the IRC should calculate their NOL as if the business organization were a Subchapter "C" Corporation). The line references for each tax year are listed below for your reference. Use the line reference that correspond with the tax year for which this form is being used.

LINE 2

Enter the current tax period's New Hampshire apportionment percentage from Form DP-80, Line 5, expressed to six decimal places.

LINE 3

Enter the amount of Line 1 multiplied by Line 2.

LINE 4

For taxable periods ending from July 1, 2005 to December 31, 2012, \$1,000,000 is the maximum amount that may be carried forward each year.

For taxable periods ending on or after January 1, 2013 forward, \$10,000,000 is the maximum amount that may be carried forward each year.

LINE 5

Enter the lesser of Line 3 or Line 4. This is your New Hampshire NOL available from the current tax period for carryforward. Enter this amount on Form DP-132, Column B.

COMBINED FILERS: Rev 303.03(e) states, with regard to NOLs for combined filers, that each business organization subject to RSA 77-A shall treat its apportioned share of the combined loss amount as a tax attribute that remains with that business organization. The individual member's net operating loss, pursuant to RSA 77-A:4,XIII applied to the individual member's allocated portion of the BPT liability, should be tracked in the event of an individual member's disposition or acquisition.

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

For the CALENDAR year **2017**
or other taxable period beginning:

MMDDYYYY

0 1 0 1 2 0 1 5

and ending:

MMDDYYYY

1 2 3 1 2 0 1 5

1 The amount of the current period NOL (See entity type line references below)

1 1 0 0 0 0

	<u>July 1, 2005 - Tax Year 2010</u>	<u>Tax Year 2011</u>	<u>Tax Year 2012 - Present</u>
Proprietorship:	Line 6 of NH-1040	Line 3 adjusted by Line 4 of NH-1040	Line 5 of NH-1040
Fiduciary:	Line 6 of NH-1041	Line 3 adjusted by Line 4 of NH-1041	Line 5 of NH-1041
Partnership:	Line 5 of NH-1065	Line 3 adjusted by Line 4 of NH-1065	Line 5 of NH-1065
Corporation:	Line 1(c) of NH-1120	Line 3 adjusted by Line 4 of NH-1120	Line 5 of NH-1120
Combined:	Line 1(c) of NH-1120-WE	Line 11(c) of NH-1120-WE	Line 11(c) of NH-1120-WE

2 Current period apportionment percentage from Form DP-80, expressed to six decimal places

2 0 0 1 . 0 0 0 0 0 0

3 Apportionment limitations (Line 1 multiplied by Line 2)

3 1 0 0 0 0

4 Statutory limitations (See instructions above)

4 1 0 0 0 0 0 0 0 0

5 New Hampshire NOL available for carryforward (the lesser amount of Line 3 or Line 4)

5 1 0 0 0 0



NET OPERATING LOSS (NOL) DEDUCTION

Business Organization Name

PQR INC

Taxpayer Identification #

0 0 4 1 1 1 1 2 1

MMDYYYYY

For the CALENDAR year **2017**
or other taxable period beginning:

0 1 0 1 2 0 1 7

and ending:

MMDYYYYY

1 2 3 1 2 0 1 7

	Column A Ending date of taxable period in which NOL occurred.	Column B New Hampshire NOL available for carryforward from DP-131-A	Column C Amount of NOL carry forward which has been used in taxable periods prior to this taxable period	Column D Amount of NOL to be used as a deduction in this taxable period	Column E Amount of NOL to carryforward to future taxable period
1	1 2 3 1 2 0 1 4	10 000		10 000	0
2	1 2 3 1 2 0 1 5	10 000		10 000	0
3					
4					
5					
6					
7					
8					
9					
10					
11		20 000		20 000	0

Line 11 - Total Columns B, C, D, & E (Sum Lines 1 - 10 in each respective column).

The amount of NOL carryforward deducted this taxable period is Column D, Lines 11.

This is the amount to be reported on the applicable Business Profits Tax return.

NOTE: Column B less Column C should equal the sum of Column D plus Column E. This amount cannot reduce New Hampshire Adjusted Gross Business Profits below zero.