



## WHO MUST FILE

All business organizations, including single member Limited Liability Companies (SMLLC), taxed as a corporation federally must file a Form NH-1120 return provided they have conducted business activity in New Hampshire and their gross business income from everywhere is in excess of \$103,000 (for taxable periods beginning January 1, 2023).

"Gross business income" means all income for federal income tax purposes from whatever source derived in the conduct of business activity, including but not limited to gross proceeds from sales, compensation for rendering services, gross proceeds realized from trading in stocks, bonds, or other evidences of indebtedness, gross proceeds realized from sale of assets used in trade or business, interest, discount, gross rents, royalties, fees, commissions, dividends, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense paid or accrued and without any deduction on account of losses.

## CONFIDENTIAL INFORMATION

Tax information disclosed to the New Hampshire Department of Revenue Administration is held in strict confidence by law. The information may be disclosed to the United States Internal Revenue Service, agencies responsible for the administration of taxes in other states in accordance with compacts for the exchange of information, and as otherwise authorized by RSA 21-J:14.

## TAXPAYER IDENTIFICATION

The Commissioner of the Department of Revenue is authorized pursuant to RSA21:J27-a to require submission of an SSN, FEIN, or any other identifying number used in filing or preparing federal tax documents. If you do not have any such identifying number, or share one with another taxpayer, then, under N.H. Code of Admin. Rules, Rev 2903.01, you must obtain a Department Identification Number (DIN). If you have a DIN, use it on all New Hampshire filings. To ensure that your filings and payments are applied to the correct account, the sequence of names and taxpayer ID numbers on all filings must be consistent. The failure to provide a taxpayer identification number may result in the rejection of filed documents. Failure to timely file documents complete with a consistent taxpayer identification number may result in the imposition of penalties and interest, the disallowance of claimed exemptions, exclusions, credits, deductions, or an adjustment that may result in increased tax liability.

## NEED FORMS?

To obtain additional forms, you may visit our website at [www.revenue.nh.gov](http://www.revenue.nh.gov) or call the Forms Line at (603) 230-5001.

## NEED HELP?

Call the Department of Revenue Administration, Taxpayer Services at (603) 230-5920. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.



**NAME AND TAXPAYER IDENTIFICATION NUMBER**

Enter the taxpayer's name and taxpayer identification number in the spaces provided.

Enter the beginning and ending dates of the taxable period.

These instructions apply to a separate entity corporate filer.

New Hampshire requires business organizations that are conducting a unitary business inside and outside New Hampshire to file a combined Business Profits Tax (BPT) return (a member of the unitary group must be subject to tax in another jurisdiction). Combined groups are **required to file Form NH-1120-WE**. You may obtain the form from our website at [www.revenue.nh.gov](http://www.revenue.nh.gov) or by calling the Forms Line at (603)230-5001.

**IF THIS BUSINESS FILES A FORM 1120S U. S. INCOME TAX RETURN FOR AN S-CORPORATION WITH THE INTERNAL REVENUE SERVICE, A NH DP-120 "COMPUTATION OF S-CORPORATION GROSS BUSINESS PROFITS" MUST BE COMPLETED BEFORE THIS FORM IS COMPLETED.**

**LINE 1 - FEDERAL TAXABLE INCOME/(LOSS)**

The Business Profits Tax is a 7.5% (for taxable periods ending on or after December 31, 2023) tax assessed on taxable business profits.

Round every entry to the nearest whole dollar (if 49 cents or less round down, if 50 cents or more round up).

**REPORT NEGATIVE AMOUNTS USING A MINUS SIGN.**

**LINE 1**

Enter the amount from Line 28 of the Federal Form 1120 or complete a New Hampshire Form DP-120 (if applicable) and enter the amount from Line 2 of the Form DP-120 (Attach the completed Form DP-120 to the tax return).

**LINES 2(a)-2(g), 3, 4, AND 5 - INCREASE OR DECREASE TO GROSS BUSINESS PROFITS TO RECONCILE WITH IRC**

Lines 2(a) through 2(g) are adjustments necessary to increase or decrease gross business profits to reflect the applicable Internal Revenue Code (IRC) applicable pursuant to RSA 77-A:1, XX and RSA 77-A:3-b. If a taxpayer seeks to report a necessary adjustment that has not been specifically addressed the taxpayer shall enter the item on either Line 2(d) or 2(f) and complete the attached Schedule IV.

Pursuant to RSA 77-A:1, XX, New Hampshire has adopted the IRC as of a particular date for each taxable period. As a result, taxpayers must identify any changes to the IRC occurring subsequent to the version adopted by New Hampshire, and account for those changes on their return. Taxpayers must also make additional adjustments as directed by RSA 77-A:3-b.

APPLICABLE INTERNAL REVENUE CODE	
TAXABLE PERIOD - BEGINNING	IRC VERSION IN EFFECT
01/01/2020 - Current	December 31, 2018
01/01/2018 - 12/31/2019	December 31, 2016
01/01/2017 - 12/31/2017	December 31, 2015
01/02/2000 - 12/31/2016	December 31, 2000
For prior taxable periods reference RSA 77-A:1, XX	

The adjustments on lines 2(a) through 2(g) reflect the adjustments that are necessary to account for the version of the IRC adopted by New Hampshire. If a taxpayer seeks to report a necessary adjustment that has not been specifically addressed, the taxpayer shall enter the item on either line 2(c) or 2(e).

The statutory requirement to follow the IRC applicable pursuant to RSA 77-A:1, XX and RSA 77-A:3-b has significant impact on the tax basis of assets used in businesses operating within and without New Hampshire. A separate accounting of the New Hampshire tax basis must be maintained for depreciation purposes and for determination of the gain or loss in the event of the sale of business assets.

**LINE 2(a)**

Add the amount of IRC §179 expense taken on the federal return in excess of the amount permitted pursuant to RSA 77-A:3-b. For property placed in service on or after January 1, 2017, the maximum IRC § 179 deduction is \$100,000. For property placed in service on or after January 1, 2018, the maximum IRC § 179 deduction is \$500,000.

**LINE 2(b)**

Add the amount of bonus depreciation taken on the federal return for assets placed in service this period. Bonus depreciation, allowed federally under IRC §168(k), is not allowed for New Hampshire BPT purposes.

**LINE 2(c)**

Add any other deductions or exclusions taken on the federal return that need to be eliminated or adjusted due to revisions to the IRC occurring subsequent to the applicable version in the table above. Include foreign dividends, when actually distributed, that consist of amounts previously taxed federally as GILTI under IRC § 951A, or of amounts previously taxed federally as deemed one-time repatriation under the Tax Cuts and Jobs Act of 2017, but not previously subject to Business Profits Tax. Complete and attach Form Schedule IV.

**LINE 2(d)**

Deduct the regular depreciation related to IRC §179 and bonus depreciation not allowed for this tax year or for prior tax years. Because there may be a basis difference due to the federal and state treatment of IRC §179 expense, and bonus depreciation, the regular depreciation allowed under IRC §167 and IRC §168 may be different than that deducted on the federal return. Recalculate your allowable depreciation and deduct the difference on this line.



**LINE 2(e)**

Deduct any other items included on the federal return that are required to be eliminated or adjusted due to revisions to the IRC occurring subsequent to the version adopted by New Hampshire pursuant to RSA 77-A:1, XX and RSA 77-A:3-b. Also include the deduction allowed for global intangible low-taxed income under RSA 77-A:4, XIX. Complete and attach Form Schedule IV.

**LINE 2(f)**

Increase or decrease the net gain or loss on the sale of assets used in the business which have a different state adjusted basis from the tax adjusted basis reported on the federal return. Because there may be a basis difference to the federal and state treatment of IRC §179 expense, and bonus depreciation, the regular depreciation allowed pursuant to IRC §167 and IRC §168 may be different than that deducted on the federal return. This may create a different adjusted basis to assets used in the business which have not been completely depreciated and thus a different gain or loss for state reporting than that reported on the federal return on the sale of business assets. Recalculate the gain or loss and enter the difference on this line. Adjustments required to account for the net gain or loss attributable to an increase or step-up in the basis of assets pursuant to RSA 77-A:4, XIV shall be reported in Section 6(h).

**LINE 2(g)**

The sum of Lines 2(a) through 2(c), minus Lines 2(d) and 2(e), adjusted by Line 2(f); if negative result, use a minus sign.

**LINE 3**

Subtotal Line 1 adjusted by Line 2(g); if negative result, use a minus sign.

**LINE 4**

Separate entity adjustments to income or expense, attach schedule. 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. Do not eliminate investment income on this line, as New Hampshire requires that all business income be included. New Hampshire does not have a non-business income statute.

**LINE 5**

Gross Business Profits, combine Line 3 and Line 4.

**LINES 6(a)-6(k), 7, 8, 9, 10, 11, 12, 13, AND 14 - ADDITIONS AND DEDUCTIONS (RSA 77-A:4)**

**LINE 6(a)**

Deduct interest income earned resulting from investments in direct United States obligations, net of expenses, on this line.

Federal obligations are exempt from tax by states or their political subdivisions when obligations are issued to secure credit to carry on the necessary functions of government. Exempt U.S. Government interest claimed as a deduction must be reduced by the following expenses if the expenses were claimed as deductions in arriving at your federal taxable income:

- interest on money borrowed to purchase or carry the bonds or securities; and
- ordinary and necessary expenses paid or incurred in connection with producing exempt income.

These expenses may also be added back on Line 6(e). Do not add back twice.

**LINE 6(b)**

Add net income taxes, franchise taxes measured by net income, or capital stock tax taken as a deduction on the federal return for any state or political subdivision or foreign taxes based on or measured by net income.

The Business Enterprise Tax (BET) is not based on or measured by net income and is not added back. Business Profits Tax (BPT) is based on net income and must be added back, if a deduction for BPT has been taken on your Federal tax return.

**LINE 6(c)**

Add federal non-recognized IRC §337 gain. New Hampshire recognizes the gain on the distribution of property from a subsidiary to its parent in complete liquidation of the subsidiary. The gain of the liquidating corporation is determined using the New Hampshire basis of the assets distributed.

**LINE 6(d)**

Deduct the wage adjustment required by IRC §280C. Deduct the wages or salaries paid or incurred for the taxable year which is equal to the sum of the credit determined for the taxable year under IRC §45A(a), §51(a), §1396(a), §1400P(b), and §1400R.

**LINE 6(e)**

Add expenses related to constitutionally exempt income. Expenses that are incurred to produce income that is constitutionally exempt from taxation in New Hampshire must be added back to gross business profits. These expenses include such items as interest expense and other expenses incurred to earn interest from investments in direct U.S. obligations (refer to Rev 303.04 for further information). This add back also includes expenses related to the production of non-unitary income not included on this return.

**LINE 6(f)**

Deduct Foreign dividend gross-up (IRC §78). IRC §78 provides that dividends received from foreign affiliates are "grossed-up" to include income taxes paid on the dividends to foreign countries. The taxpayer can then apply the grossed-up amount in computing its foreign tax credit for federal purposes. The amount of gross-up is a separately stated item on the Federal Form 1120, Schedule C. Qualified dividends do not include IRC §78 amounts. Deduct the gross-up on this line.

**LINE 6(g)**

A deduction is allowed for the contribution of scientific equipment or apparatus to an educational organization or institute of higher education 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.



**LINE 6(h)**

The following adjustments are required to account for the increase in the basis of assets federally due to the sale or exchange of an interest in the business organization:

**LINE 6(h) - A**

Report the amount of the increase in the basis of assets federally, attributable to the sale or exchange of an interest in the business organization. If multiple sales or exchanges, provide an aggregated figure, check the appropriate box(es) below, and attach a schedule of transactions.

**CHECKBOX**

If making an election pursuant to RSA 77-A:4, XIV(b) to recognize the basis increase for any sale or exchange reported on Line 6(h) - A, check the "Yes" box. If reporting elections for multiple transactions check the "Yes" box and attach a schedule reporting the details for each transaction.

**LINE 6(h) - B**

If not making an election pursuant to RSA 77-A:4, XIV(b) to recognize the basis increase for a sale or exchange reported on Line 6(h) - A, deduct the basis increase associated with the sale(s) or exchange(s) for which an election is NOT being made. If multiple sales or exchanges provide an aggregated figure and attach a schedule of transactions.

**LINE 6(h) - C**

Add the amount of depreciation claimed on the federal return that is attributable to an increase in the basis of assets that has not been recognized for New Hampshire purposes pursuant to RSA 77-A:4, XIV(a)(1).

For sales or exchanges occurring on or after January 1, 2016, an entry on this line is required to account for federally reported depreciation attributable to an increase in the basis of assets attributable to a sale or exchange transaction where an election to recognize the basis increase pursuant to RSA 77-A:4, XIV(b) was not made in the current taxable period, or a prior taxable period, for the economic life of the asset(s) in question.

For sales or exchanges occurring before January 1, 2016, an entry on this line is required to account for federally reported depreciation attributable to an increase in the basis of assets attributable to a sale or exchange transaction where an addition to gross business profits was not made in accordance with Rev 303.05, for the economic life of the asset(s) in question.

**LINE 6(h) - D**

Adjust the gain or loss with respect to the sale of assets to account for an increase in the basis of assets that was not recognized for New Hampshire purposes pursuant to RSA 77-A:4, XIV(a)(2).

For sales or exchanges occurring on or after January 1, 2016, an entry on this line is required to account for federally reported depreciation attributable to an increase in the basis of assets attributable to a sale or exchange transaction where an election to recognize the basis increase pursuant to RSA 77-A:4, XIV(b) was not made in the current taxable period, or a prior taxable period, upon the sale or disposition of the asset(s) in question.

For sales or exchanges occurring before January 1, 2016, an entry on this line is required to account for federally reported depreciation attributable to an increase in the basis of assets attributable to a sale or exchange transaction where an addition to gross business profits was not made in accordance with Rev 303.05, upon the sale or disposition of the asset(s) in question.

Enter the cumulative total of all items and adjustments reported on lines 6(h) - A through 6(h) - D.

**LINE 6(i)**

Add Qualified Investment Company (QIC) holder's proportional share of QIC profits. Add your share of QIC profits on this line. A business organization which holds an interest in a QIC must add to gross business profits their share of the QIC profits for the year, losses are not deducted. If the QIC makes a distribution, do not include the distribution in gross business profits of the interest holder.

**LINE 6(j)**

Deduct assistance payments under 12 U.S.C. § 1823. Deduct assistance payments included on the federal tax return for assistance payments made to insured depository institutions. The Federal Deposit Insurance Corporation is authorized, in its sole discretion and upon such terms and conditions as the Board of Directors may prescribe, to make loans to, to make deposits in, to purchase the assets or securities of, to assume the liabilities of, or to make contributions to, any insured depository institution.

**LINE 6(k)**

Net Lines 6(a) through 6(j).

**LINE 7**

Adjusted Gross Business Profits, combine Lines 5 and 6(k).

**LINE 8 - NEW HAMPSHIRE APPORTIONMENT**

Business organizations which have business activity, including rental activity, both inside and outside this state AND which are subject to income taxes (or a franchise tax measured by net income) in another state, or are 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 gross business profits to New Hampshire by using Form DP-80, Apportionment of Income. Form DP-80 may be obtained from the Department's website at [www.revenue.nh.gov](http://www.revenue.nh.gov) or by calling the Forms Line at (603) 230-5001.

After completing Form DP-80, enter the apportionment to six decimal places on Line 8. All others enter 1.00 on Line 8. A business organization whose activities do not exceed the protection of P.L. 86-272 shall claim the exemption by checking the box and entering 0.00 on Line 8.

**LINE 9**

Enter New Hampshire Business Profits before NOL. Enter the product of Line 7 multiplied by Line 8. If negative result, enter zero.



**LINE 10**

Deduct the allowable net operating loss carry forward from a prior year. Use Form DP-132 to calculate this deduction.

The Net Operating Loss Deduction (NOLD) must be apportioned in the taxable period(s) in which the loss occurred to determine the amount of the carry forward based on the apportionment reported on the Form DP-80. The Form DP-131-A can assist you with this calculation. Form DP-132 must be attached to the return for this deduction. You must report the NOLD available on Line 10-A and the amount of NOLD to be carried forward on Line 10-B. Refer to RSA 77-A:4, XIII and Rev 303.03 for additional information.

**LINE 11**

New Hampshire Taxable Business Profits. Line 9 minus Line 10. If this is a negative number, enter zero.

**LINE 12**

Enter the product of Line 11 multiplied by 7.5% (for taxable periods ending on or after December 31, 2023).

**LINE 13(a)**

If you have paid the BET in this year or have carryover BET credits from the tax period ending on or after December 31, 2014, and have no other credits, enter the BET credit on Line 13(a), and you must include the Business Enterprise Tax Credit Worksheet, Form BET-CW.

**LINE 13(b)**

If you have credits in addition to the BET credit enter the total credits available on this line. Do not also enter BET credits on Line 13(a). Attach a completed Form DP-160. Only use the DP-160 if you have available credits other than BET.

**LINE 14**

New Hampshire Business Profits Tax Net of Statutory Credits (Line 12 minus Line 13(a) or Line 13(b)). The amount cannot be less than zero.

Enter the amount from Line 14 on Line 1(b) of the New Hampshire BT-Summary Form.

**THIS RETURN MUST BE FILED WITH THE BT-SUMMARY AND ALL APPLICABLE FEDERAL SCHEDULES.**