

New Hampshire Department of Revenue Administration
109 Pleasant Street, Concord, NH 03301
TECHNICAL INFORMATION RELEASE
TIR 2010-010 Date: November 15, 2010

A Technical Information Release is designed to provide immediate information regarding tax laws administered by the Department or the policy positions of the Department as a service to taxpayers and practitioners. A Technical Information Release represents the position of the Department on the limited issues discussed herein based on current law and Department interpretation. For the current status of any tax law, practitioners and taxpayers should consult the source documents (i.e., Revised Statutes Annotated, Rules, Case Law, Session Laws, etc.). Questions should be directed to Central Taxpayer Services at (603) 271-2191.

New Hampshire Department of Revenue Administration
Tax Form Changes for 2010 - 2011

As the New Hampshire Department of Revenue Administration moves towards the acceptance of electronic filing for business tax returns, the Department has made extensive changes to New Hampshire's business tax forms for the 2010 – 2011 tax periods. This Technical Information Release summarizes the changes taxpayers can expect.

New Form - NH-BPT-RCD - Allocation Schedule for Reasonable Compensation Deduction
Effective July 20, 2010 for taxable periods beginning on or after January 1, 2010, RSA 77-A:4, III (e) requires a schedule (NH BPT-RCD Allocation Schedule) to be attached to the tax return of any business organization claiming a reasonable compensation deduction. The NH BPT-RCD reports: 1) the total reasonable compensation deduction claimed by the business organization for the tax year; and 2) the amount of such deduction allocated to each proprietor, partner, or member actually devoting time and effort in the operation of the business organization that is entitled to the deduction. If the compensation deduction taken reduces the business organizations taxable business profits below zero, the NH BPT-RCD also reports the amount of compensation *actually paid* to the proprietor, partner, or member by the business organization claiming that deduction.

NH BT-Summary - Eliminated for Tax Years 2011 and Forward
Beginning with the 2011 Tax Period, taxpayers will no longer file a NH BT-Summary Form. Business organizations conducting business activity in New Hampshire will report Business Enterprise Tax and Business Profits Tax using separate tax returns.

NH-BET-ES and NH-BPT-ES – Decoupling of Estimate Tax Payments
Every entity required to file a Business Enterprise Tax return or a Business Profits Tax return must also make quarterly estimated tax payments for each individual tax for its subsequent tax period unless the annual estimated tax for the subsequent taxable period for each tax is less than \$200. In the past, both tax payments could be submitted on one estimate form. Beginning with the Quarterly Estimated Payment due April 18, 2011, taxpayers must separate their estimated business enterprise payment from their estimated business profits tax payment by submitting two separate forms and payments each quarter using the new Form NH-BET-ES and Form NH-BPT-ES.

NH-ES-WS - Estimated Business Tax Worksheet
The Estimated Business Tax Worksheet enables taxpayers to calculate the amount of Estimated Business Enterprise Tax and Estimated Business Profits Tax due for each quarter: April 15, June 15, September 15, and December 15. Tax preparers and substitute forms developers and programmers are now required to ensure that the Estimated Business Tax Worksheet is printed and provided to any taxpayer required to make estimated business tax payments.

Required NH Forms and Attachments

The following forms and attachments are mandatory:

- Schedule R for all business tax returns requiring reconciling federal taxable income to arrive at New Hampshire gross business profits; and
- NH Form DP-120 for business organizations with a federal tax classification of S Corporation.

NH Forms No Longer Required

The following forms are no longer required:

- PART-COMP;
- PROP-COMP;
- NH-1040-ES;
- NH-1041-ES;
- NH-1065-ES; and
- NH-1120-ES.

Tax Year 2010 - April Filing Deadline

In 2011, New Hampshire will recognize the Washington, DC holiday, Emancipation Day, which will be celebrated on April 15, 2011. As such, New Hampshire tax filings due on April 15, 2011 will be due on Monday, April 18, 2011.

A Civil Union is Recognized as a Marriage

Effective January 1, 2010, same-sex marriage became legal in the State of New Hampshire, replacing civil unions. On January 1, 2011, all civil unions in the State will become marriages unless otherwise dissolved, annulled or previously converted to marriage. See RSA Chapter 457.

Failure to Pay by Electronic Means

Effective August 13, 2010, in the case of any failure to comply with the electronic payment requirements under RSA 21-J:3, XXI, a penalty shall be added to the amount of tax due equal to 5 percent of the amount of such tax not to exceed \$5,000. See RSA 21-J:33. This penalty is in addition to any other penalty that may be applicable and shall be assessed, collected, and paid in the same manner as taxes. This penalty shall not apply if failure to pay was due to reasonable cause and not willful neglect of the taxpayer.

Check 21

Taxpayers are reminded that when they provide a check as payment, they authorize the State of New Hampshire to either use the information from the check to make a one-time electronic fund transfer from the taxpayer's account, or to process the payment as a check.

Substitute Forms Acceptance

Substitute forms software vendors may submit hard copy forms for review and acceptance to the NH Forms Committee, PO Box 457, Concord, NH 03302. Vendors are reminded that forms are reviewed and accepted for "Form Format" and not for "Form Logic."

Visit the Department's web site at www.nh.gov/revenue/forms to obtain forms and information or call our forms line at (603) 271-2192. Questions regarding any new tax form may be directed to the following email: formscmte@rev.state.nh.us.

Individuals who need auxiliary aids for effective communication in programs and services of the Department of Revenue Administration are invited to make their needs and preferences known to the N.H. Department of Revenue Administration, 109 Pleasant Street, Concord, NH 03301 or by contacting them at (603) 271-2191.