

IDAHO BUSINESS INCOME TAX CREDITS AND CREDIT RECAPTURE

2017

Name(s) as shown on return	Social Security number or EIN
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PART I — BUSINESS INCOME TAX CREDITS

	Credit Allowed	Carryover
1. Investment tax credit. Include Form 49	1	▪
2. Credit for production equipment using post-consumer waste	2	▪
3. Promoter-sponsored event credit	3	
4. Credit for Idaho research activities. Include Form 67	4	▪
5. Broadband equipment investment credit. Include Form 68	5	▪
6. Small employer investment tax credit. Include Form 83	6	▪
7. Small employer real property improvement tax credit. Include Form 84	7	▪
8. Small employer new jobs tax credit. Include Form 85	8	▪
9. Total business income tax credits allowed. Add lines 1 through 8	9	

PART II — TAX FROM RECAPTURE OF BUSINESS INCOME TAX CREDITS

Tax from recapture of:

1. Investment tax credit. Include Form 49R	1	
2. Broadband equipment investment credit. Include Form 68R	2	
3. Small employer investment tax credit. Include Form 83R	3	
4. Small employer real property improvement tax credit. Include Form 84R	4	
5. Small employer new jobs tax credit. Include Form 85R	5	
6. Total tax from recapture of business income tax credits. Add lines 1 through 5	6	

FORM 44

IDAHO BUSINESS INCOME TAX CREDITS AND CREDIT RECAPTURE

Form 44, Part I provides a list of the Idaho business credits allowed and the credit carryover amounts.

Form 44, Part II provides a list of the tax from recapture of income tax credit.

Carry the total of the business income tax credits allowed and the tax from recapture of income tax credits to the Form 40 or Form 43. You must include Form 44 with your return if you're claiming any business income tax credits or have any tax from recapture of income tax credits.

PART I. BUSINESS INCOME TAX CREDITS

Part I has two columns: the Credit Allowed column for the amount of credit allowed for the tax year and the Carryover column for the amount of carryover that exists at the end of the tax year.

The broadband equipment investment credit is available to be transferred to another taxpayer rather than used by the taxpayer who earns the credit:

To claim a credit you acquired through a transfer, you must include a copy of the Idaho Statement of Credit Transfer, Form 70, with each return on which you're claiming transferred credit.

LINE 1 INVESTMENT TAX CREDIT (ITC)

If you acquire an asset for use in your business, you may have earned an ITC.

Credit Allowed: Enter the credit allowed from Form 49, Part II, line 8.

Carryover: Enter the credit available minus the credit allowed: Form 49, Part II, line 7 minus the amount on line 8.

LINE 2 CREDIT FOR PRODUCTION EQUIPMENT USING POST-CONSUMER WASTE

If you bought equipment that manufactures a product from post-consumer or post-industrial waste, you may be entitled to a tax credit. The credit is 20% of your cost to buy qualified equipment.

Qualified equipment is machinery or equipment in Idaho with a useful life of three years or more. In addition, 90% of the equipment's production must result in products using post-consumer or post-industrial waste.

Product is any manufactured material that's composed of at least 50% of post-consumer or post-industrial waste and offered for sale. Product doesn't include shredded material unless it's incorporated directly into the manufacturing process.

Post-consumer waste or post-industrial waste includes only glass, paper, or plastic that has been, or would have been, disposed of as solid waste. It doesn't include radioactive or hazardous waste.

Include a schedule showing your computations, listing the qualified equipment, identifying the post-consumer or post-industrial waste products, and identifying the newly manufactured products.

Credit Allowed: Enter the smallest of:

- \$30,000
- 20% of the cost to buy qualified equipment plus the amount of credit carried forward or
- **Tax available:**
 - If filing Form 40, the tax on line 20 minus the amounts on line 22, Form 39R, Part E, lines 1 and 2, and Form 44, Part I, line 1
 - If filing Form 43, the tax on line 42 minus the amounts on line 43, Form 39NR, Part E, lines 1 and 2, and Form 44, Part I, line 1

Carryover: Enter the amount of credit available minus the amount allowed. Include a schedule showing your computations. You can carry forward the unused portion of the credit up to seven years.

LINE 3 PROMOTER-SPONSORED EVENT CREDIT

If you issued temporary sales tax permits to participants of a promoter-sponsored event on behalf of the Tax Commission, you may claim a \$1 credit for each temporary permit issued during the tax year. Promoter-sponsored events include swap meets, flea markets, gun shows, and fairs. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

Credit Allowed: Enter the smaller of:

- \$1 for each temporary permit issued during the tax year, or
- **Tax available:**
 - If filing Form 40, the tax on line 20 minus the amounts on line 22, Form 39R, Part E, lines 1 and 2, and Form 44, Part I, lines 1 and 2
 - If filing Form 43, the tax on line 42 minus the amounts on line 43, Form 39NR, Part E, lines 1 and 2, and Form 44, Part I, lines 1 and 2

LINE 4 CREDIT FOR IDAHO RESEARCH ACTIVITIES

If you incurred expenses for qualified research conducted in Idaho, you may have earned the credit for Idaho research activities.

Credit Allowed: Enter the credit allowed from Form 67, line 29. Include Form 67.

Carryover: Enter the amount of credit carryover to future years from Form 67, line 30.

FORM 44

LINE 5 BROADBAND EQUIPMENT INVESTMENT CREDIT

If you acquired qualified broadband equipment to use in your business in Idaho, it may qualify for the broadband equipment investment credit. You may also claim this credit if you acquired the credit through a transfer.

Credit Allowed: Enter the credit allowed from Form 68, line 18. Include Form 68.

Carryover: Enter the amount of credit carryover to future years from Form 68, line 19.

LINE 6 SMALL EMPLOYER INVESTMENT TAX CREDIT

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit and you've acquired an asset for use in your business that otherwise qualifies for the investment tax credit (ITC).

Credit Allowed: Enter the credit allowed from Form 83, line 28. Include Form 83.

Carryover: Enter the amount of credit carryover to future years from Form 83, line 29.

LINE 7 SMALL EMPLOYER REAL PROPERTY IMPROVEMENT TAX CREDIT

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit and you've acquired real property improvements for use in your business at the project site during the project period.

Credit Allowed: Enter the credit allowed from Form 84, line 26. Include Form 84.

Carryover: Enter the amount of credit carryover to future years from Form 84, line 27.

LINE 8 SMALL EMPLOYER NEW JOBS TAX CREDIT

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit and you have qualified new employees at the project site during the project period.

Credit Allowed: Enter the credit allowed from Form 85, line 35. Include Form 85.

Carryover: Enter the amount of credit carryover to future years from Form 85, line 36.

PART II. TAX FROM RECAPTURE OF INCOME TAX CREDITS

LINE 1 TAX FROM RECAPTURE OF INVESTMENT TAX CREDIT

If you've claimed an ITC on property that ceases to qualify before the end of the five-year recapture period, you must compute the ITC recapture. This includes property moved outside of Idaho.

Enter the amount from Form 49R, Part III, line 15. Include Form 49R.

LINE 2 TAX FROM RECAPTURE OF BROADBAND EQUIPMENT INVESTMENT CREDIT

If you've claimed a broadband equipment investment credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the broadband equipment investment credit recapture. This includes property that ceases to qualify for the ITC.

Enter the amount from Form 68R, Part III, line 15. Include Form 68R.

LINE 3 TAX FROM RECAPTURE OF SMALL EMPLOYER INVESTMENT TAX CREDIT

If you've claimed a small employer investment tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the small employer investment tax credit recapture. This includes property moved outside of Idaho.

You must also compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 83R, Part III, line 15. Include Form 83R.

LINE 4 TAX FROM RECAPTURE OF SMALL EMPLOYER REAL PROPERTY IMPROVEMENT TAX CREDIT

If you've claimed a small employer real property improvement tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the small employer real property improvement tax credit recapture.

You must also compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 84R, Part III, line 15. Include Form 84R.

LINE 5 TAX FROM RECAPTURE OF SMALL EMPLOYER NEW JOBS TAX CREDIT

If you've claimed a small employer new jobs tax credit and you didn't maintain the required level of new employees for the entire five-year recapture period, you must compute the small employer new jobs tax credit recapture.

You must also compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 85R, line 13. Include Form 85R.

These instructions don't provide a comprehensive explanation of Idaho tax laws or rules.

Additional information is available at tax.idaho.gov

Costs associated with this publication are available from the Idaho State Tax Commission in accordance with section 60-202, Idaho Code.