

Instructions for Idaho Form 69

GENERAL INSTRUCTIONS

The incentive ITC was eligible to be earned on qualified investments in Idaho that were placed in service in tax years beginning in 2001 only. Although the credit can no longer be earned, it may be carried over from 2001 or acquired by transfer from another taxpayer who earned the credit in 2001.

Form 69 is used to calculate the Idaho incentive investment tax credit (incentive ITC) allowed. Each member of a unitary group that is allowed the credit must complete a separate Form 69.

Unitary Sharing

A corporation included as a member of a unitary group of corporations may elect to share the incentive ITC it earned but does not use with other members of the unitary group. The corporation must claim the incentive ITC to the extent allowable against its Idaho income tax before it can share the credit.

Transfer of Credit

A taxpayer who earned the incentive ITC may transfer the credit to another taxpayer. The transferor must submit Form 70, Idaho Statement of Credit Transfer, to the Tax Commission at least 60 days prior to the date of transfer. The Tax Commission will verify the amount of credit available for transfer and the number of carryover years.

The transferee may first claim the transferred credit on his income tax return originally filed during the calendar year in which the transfer takes place. However, the credit may not be claimed on a tax return that begins prior to January 1, 2001. The transferee must attach a copy of Form 70 to each income tax return in which the credit is claimed or carried over.

Carryover Periods

The credit carryover is limited to 14 tax years. A transferee is entitled to the same carryover period that would have been allowed to the transferor.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

CREDIT AVAILABLE SUBJECT TO LIMITATION

Line 2. Enter the amount of incentive ITC that is being passed to you from partnerships, S corporations, estates, or trusts in which you have an interest. Attach a copy of the schedule provided to you.

Line 3. If you are a member of a unitary group of corporations, enter the amount of credit you received from another member of the unitary group.

Line 4. If you received credit as a result of a transfer from another taxpayer in 2002, enter the amount of credit you received. Attach a copy of Form 70.

Line 6. If you are a partnership, S corporation, estate, or trust, enter the amount of credit that passed through to partners, shareholders, or beneficiaries.

Line 7. If you are a member of a unitary group of corporations, enter the amount of credit you earned that you elect to share with other members of your unitary group. Before you can share your credit, you must use the credit up to the allowable limitation of your Idaho income tax.

Corporations claiming the incentive ITC must provide a calculation of the credit earned and used by each member of the combined group. The schedule must clearly identify shared credit and the computation of any credit carryovers.

Line 8. If you transferred credit to another taxpayer in 2002, enter the amount of credit you transferred. You can only transfer credit that you originally earned.

CREDIT LIMITATIONS

The incentive ITC is limited to the smaller of \$500,000 or the tax liability after allowing all other tax credits that can be claimed before the incentive investment tax credit. If you claim the Idaho credit for qualifying new employees, the incentive ITC and most other credits are limited to 45% of your Idaho income tax.

The following credits must be applied to the tax before the incentive ITC:

1. Credit for tax paid to other states;
2. Credit for contributions to Idaho educational entities;
3. Investment tax credit;
4. Credit for contributions to Idaho youth and rehabilitation facilities;
5. Credit for production equipment using post-consumer waste;
6. Natural resources conservation credit;
7. Promoter-sponsored event credit;
8. Credit for qualifying new employees;
9. Credit for Idaho research activities; and
10. Broadband equipment investment credit.

If the credit for qualifying new employees is claimed, complete lines 11 through 15 and skip lines 16 through 19. If the credit for qualifying new employees is not claimed, skip lines 11 through 15 and complete lines 16 through 19.

Line 10. Enter the amount of your Idaho income tax. Idaho income tax is the computed tax before adding the permanent building fund tax, any other taxes or subtracting any credits.

Line 12a. Enter the credit for contributions to Idaho educational entities from the appropriate Idaho income tax return.

Line 12b. Enter the investment tax credit allowed as computed on Form 55, Part II, line 7.

Line 12c. Enter the credit for contributions to Idaho youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 12d. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 12e. Enter the natural resources conservation credit from the appropriate Idaho income tax return.

Line 12f. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 12g. Enter the allowable credit for qualifying new employees as computed on Form 55, Part II, line 27.

Line 12h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 28.

Line 12i. Enter the broadband equipment investment credit allowed as computed on Form 68, line 16.

Line 13. The total of nonrefundable credits cannot exceed the amount on line 11.

Line 16a. Individuals enter the credit for tax paid to other states as computed on Form 39R or Form 39NR.

Line 16b. Enter the credit for contributions to Idaho educational entities from the appropriate Idaho income tax return.

Line 16c. Enter the investment tax credit allowed as computed on Form 49, Part II, line 9b or 10.

Line 16d. Enter the credit for contributions to Idaho youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 16e. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 16f. Enter the natural resources conservation credit from the appropriate Idaho income tax return.

Line 16g. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 16h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 32.

Line 16i. Enter the broadband equipment investment credit allowed as computed on Form 68, line 20.

Line 17. The total of nonrefundable credits cannot exceed the amount on line 10.

CREDIT CARRYOVER

Line 22. The amount of credit available that exceeds the total credit allowed on the current year tax return may be carried forward up to 14 tax years.