

General Instructions

Form PTE-12 is the reconciliation schedule you include with the entity’s Idaho income tax return (Form 41S, Form 65, or Form 66) as required by Idaho Code section 63-3036B. Include each owner’s complete information whether the owner has Idaho distributable income or a loss. If you’re filing Form 66, refer to the Form 66 Specific Instructions for information on completing Form PTE-12.

A pass-through entity includes a partnership, a limited liability company taxed as a partnership, an S corporation, or a trust or estate. Income, loss, deductions, and credits typically flow through and the owner pays the tax. The entity can choose to pay the tax for Idaho nonresident individual owners on the entity’s composite return.

The definition of “individual” includes:

- Natural persons
- Grantor trusts
- Qualified subchapter S trusts, and
- Single-member LLCs that haven’t elected to be classified as a corporation and are treated as disregarded entities for federal purposes

A pass-through entity transacting business in Idaho with income taxable in Idaho has reporting requirements for each pass-through owner type.

Resident and part-year resident individuals

Only complete columns (a) and (b).

- These owners must report the income from the entity on their Idaho individual income tax returns. They can’t be included in a composite return and aren’t subject to withholding.
- The entity includes resident and part-year resident individual owner information on the PTE-12. Enter “**R**” in the Filing Code column.

Corporations, partnerships, trusts, and estates

Only complete columns (a) and (b).

- These owners must report the income on their Idaho return.
- Include the owner information on the PTE-12. Enter “**N**” in the Filing Code column.

Nonresident individual owners with Idaho distributable income of less than \$1,000

Only complete columns (a) and (b).

- These owners must report the income from the entity on their Idaho income tax returns if they have other Idaho reporting requirements. They aren’t included in a composite return and aren’t subject to withholding.
- The entity includes the owner(s) information on the PTE-12. Enter “**N**” in the Filing Code column.

Nonresident individual owners with Idaho distributable income of at least \$1,000

An entity has three options:

Composite return

Only complete columns (a), (b), and (c).

- The entity pays the tax for the nonresident individual owner(s) on the entity’s return at the corporate tax rate (5.8%).
- The entity includes the nonresident individual owner’s information on the PTE-12. Enter “**C**” in the Filing Code column.

Pass-through entity withholding on Form PTE-01

Only complete columns (a), (b), and (d).

- The entity pays Idaho income tax withholding computed at the highest individual rate (5.8%) on the nonresident individual owner’s Idaho-source distributable income from the entity.
- The entity submits withholding to the Tax Commission using Form PTE-01 for each nonresident individual owner.
- The entity includes the nonresident individual owner’s information on the PTE-12. Enter “**W**” in the Filing Code column.

Form PTE-NROA (Nonresident Owner Agreement)

Only complete columns (a) and (b).

- The nonresident individual owner can submit a signed agreement (PTE-NROA) to the entity.
- This allows the nonresident individual owner to file an Idaho return to report the Idaho-source distributable income from the entity and pay the required tax due.

- If the entity receives the signed agreement from the nonresident individual owner and approves it, the entity doesn't include the individual in a composite return or pay withholding to the Tax Commission on the owner's behalf.
- The entity includes the nonresident individual owner's information on the PTE-12. Enter "A" in the Filing Code column.

Affected business entities

Only complete columns (a), (b), and (e).

The entity has elected to be taxed at the entity level. Enter "E" in the Filing Code column.

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Enter the entity's name and Employer Identification Number (EIN) in the space provided.

Entity's tax year beginning and ending

Enter the beginning and ending date of the entity's tax year.

Contact name and phone number

Enter the name, phone number, and email address of a person we can contact about the information reported on Form PTE-12.

Owner's name and Social Security number or EIN

Enter the name and corresponding Social Security number or EIN of each owner as shown on the Idaho income tax return, one owner per line.

Address

Enter the owner's address, city, state, and ZIP code.

Column (a) Filing Code

Enter one of the following letters corresponding to the filing code for the owner.

Agreement (A)

The nonresident individual owner has provided an Idaho nonresident owner agreement (Form PTE-NROA).

By entering the "A" filing code, the entity agrees that it received and approved the agreement from the individual* and acknowledges that the entity is liable for any tax due if the individual doesn't file a return and pay the tax as agreed.

Composite (C)

The nonresident individual owner is included in a composite return. If the owner isn't an individual,* the income can't be included on a composite return, and code "C" can't be used.

Affected Business Entity (E)

The entity has elected to pay tax at the entity level.

If the entity uses filing code "E," it must apply to all owners.

Not Required (N)

The owner isn't subject to backup withholding. Backup withholding isn't required on income of less than \$1,000. Don't withhold on the income of owners and beneficiaries if they aren't natural persons* (including corporations, partnerships, trusts, and estates).

Resident (R)

The owner is an Idaho resident or part-year resident filing an Idaho individual income tax return.

Withholding (W)

The entity is paying backup withholding on behalf of a nonresident individual owner on Form PTE-01.

Withholding can't be paid on behalf of another entity, and code "W" can't be used.

*See General Instructions for definition of "individual."

Column (b) Idaho Distributable Income

Enter the Idaho distributable income for all filing codes.

This is the amount computed on Form ID K-1, line 34. If the entity is a partnership, guaranteed payments sourced to Idaho are included in the Idaho distributable income of the partner. (See Guaranteed Payments Guidance at tax.idaho.gov).

If the beneficiary is an Idaho nonresident, only enter the nonresident beneficiary's share of the distributed Idaho-source income. Some sources of income may not be Idaho-source income to a nonresident beneficiary.

Column (c) Composite Income Tax Paid by Entity

If you enter filing code "C" in column (a), enter in this column the tax paid on behalf of the nonresident individual owner by the entity on the composite return. The total for this column should equal either:

- Form 41S, line 56 minus lines 51, 53 and 54
or
- Form 65, line 53 minus lines 48, 50 and 51

Column (d) Income Tax Withheld by Entity

If you enter filing code "W" in column (a), enter in this column the tax withheld on behalf of the nonresident individual owner. The total amount reported should match the total amount paid on the PTE-01s.

Don't send payments or PTE-01s with the entity return.

Column (e) ABE Tax Paid by Entity

If you enter filing code "E" in column (a), enter in this column:

For an S corporation, multiply the entity's ABE tax paid by the member's ownership percentage.

For a partnership, multiply the entity's ABE tax paid by the member's distributive share of income (including guaranteed payments).

If the member is an exempt entity, enter zero in this column. The total for this column should equal either:

- Form 41S, line 56 minus lines 51, 53 and 54
or
- Form 65, line 53 minus lines 48, 50 and 51

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