

Idaho Business Income Tax Payments Worksheets

Use the worksheet in Part A to compute your corporate quarterly estimated tax payments.
Use the worksheet in Part B to determine if you need to make an extension of time payment.

A. CORPORATE QUARTERLY ESTIMATED TAX PAYMENTS WORKSHEET

1. Anticipated Idaho taxable income this year 1. _____
2. Income tax on anticipated Idaho taxable income. Multiply line 1 by 7.6%. 2. _____
3. Permanent building fund tax (\$10 or, if a combined report, multiply \$10 by the number of corporations required to file for income tax purposes) 3. _____
4. Tax from recapture of business income tax credits. See Form 44, Part II, for a complete list. 4. _____
5. Total income tax. Add lines 2, 3 and 4. 5. _____
6. Anticipated income tax credits. Refer to last year's instructions for information on Idaho credits. 6. _____
7. Estimated income taxes payable on this year's return. Line 5 minus line 6. 7. _____
If the amount is less than \$500, stop here. You are not required to make estimated payments.
8. Multiply line 7 by 90%. 8. _____
9. Idaho total tax less any fuels tax and sales/use tax due reported on last year's return 9. _____
10. Estimated payments. Multiply the smaller of lines 8 or 9 by 25%. This is the amount of each estimated payment. 10. _____

B. EXTENSION OF TIME PAYMENT WORKSHEET

- | | YES | NO |
|---|--------------------------|--------------------------|
| 1. Was a tax return filed last year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If yes, enter the total tax less the fuels tax and sales/use tax due reported on last year's return. . | | |
| 3. Estimated income tax due this year less estimated income tax credits. (Estimated tax due includes the \$20 minimum tax, the \$10 permanent building fund tax, and tax from recapture of business income tax credits.) See instructions. | | |
| 4. Enter 80% of the amount on line 3. | | |
| 5. If you answered yes to the question on line 1, enter the lesser of the amount on line 2 or line 4. If you answered no, enter the amount from line 4. | | |
| 6. Quarterly estimated payments and tentative payments. | | |
| 7. PAYMENT. Line 5 minus line 6. If \$50 or less, a payment isn't required. | | |

If a payment is due, return the form below with a check or money order payable to: Idaho State Tax Commission, PO Box 76, Boise ID 83707-0076

CUT HERE

FORM 41ES
EFO00026
8-29-06

QUARTERLY ESTIMATED TAX / EXTENSION OF TIME PAYMENT IDAHO BUSINESS INCOME TAX

PAYMENT	
Month Day Year Month Day Year	
For calendar year _____, or fiscal year beginning _____ ending _____	
Business name	Federal employer identification number ■
Business mailing address	Name change? <input type="checkbox"/> YES <input type="checkbox"/> NO
City, State and Zip Code	Combined report? <input type="checkbox"/> YES <input type="checkbox"/> NO

TYPE OF PAYMENT

- 1 ☐ ESTIMATED TAX
2 ☐ EXTENSION OF TIME

TYPE OF RETURN TO BE FILED

- | | |
|---|--|
| 1 <input type="checkbox"/> CORPORATION - FORM 41 | 3 <input type="checkbox"/> FIDUCIARY - FORM 66 |
| 2 <input type="checkbox"/> S CORPORATION - FORM 41S | 4 <input type="checkbox"/> PARTNERSHIP - FORM 65 |

Instructions for Idaho Form 41ES

A. CORPORATE QUARTERLY ESTIMATED TAX PAYMENTS

Who Must Make Estimated Income Tax Payments

A corporation is required to make estimated tax payments to the State Tax Commission if it is required to make estimated payments to the Internal Revenue Service and will have an Idaho income tax liability of \$500 or more. Estimated payments aren't required if the corporation wasn't required to file an Idaho return the previous tax year.

If you received personalized payment vouchers, use the appropriate voucher for each filing period. If any of the preprinted information is incorrect, draw a line through it and enter the correct information. Check the box on the voucher if there is a change in your mailing address. If you don't have a preprinted form, use the Form 41ES.

Estimated Tax Payments

Each estimated tax payment must be 25% of the tax required to be reported on the corporation's return for the prior year, or 90% of the tax required to be paid on the current year's return, whichever is less. Don't include fuels tax due, sales tax due, or fuels tax refunds reported on the income tax returns.

For corporations, the tax required to be reported is defined as Idaho taxable income multiplied by the appropriate tax rate, plus the permanent building fund tax, plus tax from recapture of business income tax credits, such as the investment tax credit, broadband equipment investment credit, corporate headquarters income tax credits, and the small employer income tax credits, minus allowable income tax credits.

For S corporations, estimated tax payments are computed on the Idaho tax due to net recognized built-in gains and excess net passive income. Estimated payments aren't required on the tax due on income being reported for individual shareholders.

A corporation making estimated payments in a year following the revocation of subchapter S status will use \$20 as the tax amount required to be reported on the prior year's return.

Computation of Estimated Tax Payments

The Form 41ES worksheet will allow you to compare the income tax on last year's return with the anticipated income tax for the current year and, using the smaller of the two, determine the estimated payment for each period. If your estimated payments are based on 90% of the income tax required to be paid on the current year's return and the anticipated income tax for the current year is revised, use the revised amount to recompute any remaining estimated tax payments.

Due Dates

For calendar year taxpayers, estimated payments are due on the 15th day of April, June, September and December.

For fiscal year taxpayers, estimated payments are due on the 15th day of the 4th, 6th, 9th, and 12th months of the tax year.

The due dates for the federal estimated tax payments and the Idaho estimated tax payments are the same. If the due date is on a Saturday, Sunday, or legal holiday, substitute the next work day as the due date.

Underpayment of Estimated Tax

Interest is due on the difference between the amount of estimated payment required to be made on each quarterly voucher and the amount of quarterly payment actually made. Interest is computed from the due date of the estimated payment until the required amount is paid or until the due date of the return. The interest rate for 2006 was 6%. The interest rate for 2007 is 7%.

Form 41ESR, Underpayment of Estimated Tax by Corporations, is provided with your corporate income tax return packet. Use the form to determine the amount of any underpayments and interest due when you file your return.

Overpayment of Estimated Tax

Excess estimated tax payments will be refunded after the completed return is filed. You may elect to apply the excess to the subsequent year's estimated tax by designating the carryover on the corporation income tax return, Form 41, or the S corporation return, Form 41S.

Overpayments will be applied to any prior year tax liabilities before carryovers or refunds are allowed. You will be notified if your overpayment is applied to an existing liability, or is used to reduce your refund or carryover.

Annualized Income and Estimated Payments

If your estimated payments are based on annualized income for federal purposes, you may use that same method for making Idaho estimated payments. The estimated tax due for the installment period is calculated by multiplying the applicable percentage (22.5%, 45%, 67.5% and 90% for the 1st, 2nd, 3rd and 4th installments, respectively) by the full year's tax on the annualized income for the period and deducting any prior installments.

Short Tax Year

If the short tax year ends prior to any remaining due dates, a final estimated payment will be made on the 15th day of the last month of the short tax year. No estimated tax payment is required if the short tax year is less than four months or if the requirements to make an estimated payment aren't met before the first day of the last month in the short tax year.

B. IDAHO BUSINESS EXTENSION OF TIME PAYMENTS

General Information

If you can't file your Idaho return by the due date, you will be allowed an automatic six-month extension of time to file without sending a written request. To qualify for an automatic extension, you must pay at least 80% of the current year income tax liability or 100% of the total income tax reported on your income tax return for the preceding year, if one was filed. If you will owe \$50 or less, a payment isn't required; however, interest will accrue.

Paying less than the required amount will result in a penalty. A penalty will also result if you pay the required amount but fail to pay the remainder of the tax due by the extended due date. Interest accrues on any balance of tax due on the return when it is filed.

Corporations

Multiply 7.6% by the estimated taxable income. If this results in less than \$20, use \$20 as the estimated tax. Add the \$10 permanent building fund tax to the estimated income tax and subtract the amount estimated for income tax credits.

S Corporations

S corporations are subject to tax on excess net passive income and net recognized built-in gains. Use 7.6% to compute the estimated tax on this income. If the estimated tax on these items is less than \$20 or the S corporation doesn't report income from these items, use \$20 as the estimated tax.

S Corporations, Partnerships, and Fiduciaries with Individual Shareholders, Partners, and Beneficiaries

If the income is reported and the tax paid for the individual shareholders, partners, or beneficiaries, use 7.6% to compute the estimated tax. This is in addition to the tax computed for the S corporation and fiduciaries. Add the \$10 permanent building fund tax for each individual not filing an Idaho individual income tax return.

Fiduciaries

Add the permanent building fund tax to the computed tax unless all income is distributed to beneficiaries, or if the trust is a qualified funeral trust.