FORM **49** TC49021 7-12-02

IDAHO INVESTMENT TAX CREDIT

2002

	Month	Day	Year		Month	Day	Year
For calendar year 2002, or fiscal year beginning			02	ending			

Name(s) as shown on return	Social Security Number or EIN

PART I -- CREDIT AVAILABLE SUBJECT TO LIMITATION

1. Amount of qualified investments acquired during the tax year. *Attach a complete list*.	1	
2. Credit earned. Multiply line 1 by 3%.	2	
3. Pass-through share of credit from a partnership, S corporation, estate or trust	3	
4. Credit received through unitary sharing. Attach a schedule.	4	
5. Carryover from prior years' investment credit. Attach Form 49C or other schedule.	5	
6. Credit distributed to partners, shareholders or beneficiaries	6	
7. Credit shared with unitary affiliates	7	
8. Total credit available subject to limitation. Add lines 2 through 5 and subtract lines 6 and 7.	8	

PART II -- LIMITATION

If you are claiming the credit for qualifying new employees, compute the limitation on Form 55.
If you are NOT claiming the credit for qualifying new employees, complete lines 1 through 10.

1. Idaho income tax. Enter the amount from the appropriate income tax return.			1	
2. Credit for tax paid to other states			2	
3. Subtract line 2 from line 1.			3	
4. Investment tax credit from line 8, Part I	4			
5. Multiply line 3 by 50%.	5			
6. Enter the smaller of line 4 or line 5.	6			
7. Credit for contributions to educational entities	7			
8. Total of nonrefundable credits available. Add lines 6 and 7.			8	
9. If line 8 is greater than line 3:				
a. Subtract line 3 from line 8.			9a	
b. Credit allowed. Subtract line 9a from line 6. If negative, enter zero.			9b	
10. If line 8 is equal to or less than line 3, enter the amount on line 6. This is the credit allowed.			10	

QUALIFYING DEPRECIABLE PROPERTY

Idaho generally follows the definition of qualified property found in the Internal Revenue Code (IRC), Sections 46 and 48 as in effect prior to 1986. The property must have a useful life of three years or more and be property for which you are allowed the deduction for depreciation or amortization in lieu of depreciation. Qualifying property includes the following property used in a trade or business:

- Tangible personal property - machinery and equipment
- Other tangible property - property used as an integral part of manufacturing, production, extraction, or furnishing transportation, communications, or utility services, or research facilities and bulk storage facilities used in connection with those businesses
- Elevators and escalators
- Single purpose agricultural or horticultural structures
- Qualified timber property
- Petroleum storage facilities
- Qualified broadband equipment as approved by the Idaho Public Utilities Commission

NONQUALIFYING PROPERTY

Property that does not qualify includes:

- Buildings and their structural components
- Property used in certain lodging facilities
- The cost of property expensed under Section 179, IRC
- Property subject to 60-month amortization
- Used property not acquired by purchase
- Property that is either nondepreciable or has a useful life of fewer than three years
- The portion of property used for personal use
- Used property in excess of $150,000
- Horses

Idaho exceptions to IRC Sections 46 and 48

Idaho law specifically excludes the following property from qualifying for the Idaho investment tax credit:

- Property not used in Idaho
- Vehicles under 8,000 pounds gross weight

Instructions for Idaho Form 49

GENERAL INSTRUCTIONS

Form 49 is used to calculate the Idaho investment tax credit earned or allowed. Each member of a unitary group of corporations that earns or is allowed the credit must complete a separate Form 49.

Property Used Both In and Outside Idaho
If property is used both in and outside Idaho, compute the qualified investment for all such property using one of the following methods:

1. Percentage-of-use method:
   Multiply the investment in each asset by a fraction where Idaho use is the numerator and total use is the denominator. Usage can be measured by machine hours, mileage or any other method that accurately reflects the usage, or
2. Property factor numerator method:
   Use the amount included in the Idaho property numerator for each property.

Carryover Periods

- The credit carryover for property acquired prior to 1990 is limited to five tax years.
- For property acquired after 1989 but prior to tax years beginning in 2000, the credit carryover is limited to seven tax years unless the credit has not been carried over seven tax years before 2000. If the credit has been carried forward less than seven tax years, and is eligible for carryover to tax years beginning on or after 2000, the carryover period is limited to 14 tax years.
- For credit earned in tax years beginning on or after January 1, 2000, the credit carryover is limited to 14 tax years.

For purposes of the carryover period, a short tax year counts as one tax year.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

PART I - CREDIT AVAILABLE SUBJECT TO LIMITATION
Line 1. Attach a list of all property you acquired during the tax year for which you are claiming an investment tax credit. The list should identify each piece of property, your basis in the item and the date placed in service.

Line 3. Enter the amount of Idaho investment tax credit that is being passed through by partnerships, S corporations, estates or trusts in which you have an interest. Attach a copy of the schedule provided to you.

Line 4. If you are a member of a unitary group, enter the amount of credit you received from another member of the unitary group.

Line 5. Enter the investment tax credit carryover from prior years. The amount is computed on Form 49C or on a separate schedule. Attach a copy of Form 49C or the schedule. See General Instructions for the carryover period allowed.

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

Line 7. If you are a member of a unitary group, 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 tax liability.

Corporations claiming investment tax credit 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.

PART II - LIMITATION
If you claim the Idaho credit for qualifying new employees, compute the limitation on Form 55, Idaho Credit for Qualifying New Employees, page 2, in Part II, Credit Limitations. The investment tax credit and most other credits are limited to 45% of your Idaho income tax.

If the credit for qualifying new employees is not claimed, use Part II of the Form 49 to compute the investment tax credit limitation. The investment tax credit is limited to 50% of your Idaho income tax after deducting the credit for tax paid to other states.

The following credits must be applied to the tax before the investment tax credit:

- Credit for taxes paid to other states, and
- Credit for contributions to Idaho educational entities.

Line 1. 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 2. Individuals enter the credit computed on Form 39R or Form 39NR.

Line 9. The total of nonrefundable credits claimed cannot exceed line 3. Unused credit is available for carryover or unitary sharing.