

# RECAPTURE OF IDAHO INVESTMENT TAX CREDIT

For calendar year _____, or fiscal year beginning _____	Month    Day    Year	ending _____	Month    Day    Year
Name(s) as shown on return		Social Security Number or EIN	

**PART I -- IDENTIFY PROPERTY THAT CEASED TO QUALIFY AS IDAHO INVESTMENT TAX CREDIT PROPERTY**

Properties	Property Description
A	
B	
C	
D	
E	

**PART II -- ORIGINAL IDAHO INVESTMENT TAX CREDIT**

	Properties				
	A	B	C	D	E
1. Date property was placed in service .....					
2. Cost or other basis .....					
3. Credit percentage .....	3%	3%	3%	3%	3%
4. Original credit. Multiply line 2 by line 3. ....					
5. Date property ceased to qualify .....					
6. Number of full years between the date on line 1 and the date on line 5					

**PART III -- COMPUTATION OF RECAPTURE TAX**

7. Recapture percentage from table, page 2 .....					
8. Tentative recapture tax. Multiply line 4 by line 7. ....					
9. Add line 8, columns A through E. ....					
10. Pass-through share of credit recapture from S corporations, partnerships, estates or trusts .....					
11. Add lines 9 and 10. ....					
12. Credit recapture distributed to shareholders, partners or beneficiaries .....					
13. Enter the portion of original credit on line 4 not used to offset tax in any year. Do not enter more than line 11. Any unused credit on this line cannot be used as a carryover. ....					
14. Add lines 12 and 13. ....					
15. Recapture of investment tax credit. Subtract line 14 from line 11. Enter here and on the proper line of your tax return. Do not use this amount to reduce current year's investment tax credit computed on Form 49.					

# Instructions for Idaho Form 49R

## GENERAL INSTRUCTIONS

Use Form 49R to compute the increase in tax for the recapture of investment tax credit. You must recompute the credit if you earned it in an earlier year, but disposed of the property before the end of the five-year recapture period. You must also recompute the credit on any property ceasing to qualify as investment tax credit property. Property moved from Idaho ceases to qualify as investment tax credit property and is subject to recapture.

Recapture may be necessary under the following situations:

- An S corporation shareholder's interest is reduced by a sale, redemption or other disposition of the shareholder's stock, or by the corporation's issuance of more shares.
- A partner's proportionate interest in the general profits of the partnership (or in a particular item of property) is reduced.
- A trust's, estate's or beneficiary's proportionate interest in the income of the trust or estate is reduced.

S corporations, partnerships, estates and trusts that pass through investment tax credit to the shareholders, partners or beneficiaries must provide schedules detailing the recapture information required to compute the recapture on their income tax returns.

Any resulting tax on recapture of prior credits must be added to the tax otherwise determined in the year of recapture.

## SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

### PART I

Lines A through E. Describe the property for which you must recompute the investment tax credit. Fill in lines 1 through 8 in Parts II and III for each property on which you are recomputing the credit. Use a separate column for each item. Use an additional Form 49R, or other schedule with all the information shown on Form 49R, if you have Idaho investment tax credit recapture on more than five items.

### PART II

S corporations, partnerships, estates and trusts that have property subject to recapture must complete lines 1 through 9 to determine the amount of credit recapture. A copy of this form and a schedule detailing each shareholder's, partner's, or beneficiary's pass-through share of the recapture amount must be attached to the business's income tax return and to each K-1.

Partners, shareholders and beneficiaries will use the information provided by the partnership, S corporation, trust or estate to report their pass-through share of the credit to be recaptured on line 10.

**Line 1.** Enter the month, day and year that the property was first available for service.

**Line 2.** Enter the cost or other basis of the property used to compute the original investment tax credit.

**Line 4.** Multiply line 2 by line 3 to compute the credit originally earned for each property item listed.

**Line 5.** Enter the date the property ceased to qualify as investment tax credit property.

**Line 6.** Do not enter partial years. If property was held less than 12 months, enter zero.

### PART III

**Line 7.** Enter the appropriate recapture percentage from the table below.

**Line 8.** Multiply line 4 by line 7. This is the tentative tax recaptured.

**Line 9.** Add line 8 in columns A through E. Enter the total from all pages here.

**Line 10.** Enter the amount of recapture of investment tax credit that is being passed to you from S corporations, partnerships, estates and trusts. Attach a copy of the schedule provided to you.

If recapture is necessary due to a disposition of S corporation stock, reduction in the interest in the general profits of a partnership, or reduction in proportionate interest in the income of the trust or estate, include that recapture on line 10 as well.

**Line 11.** Add lines 9 and 10 to determine the amount of credit subject to recapture.

**Line 12.** If you are a partnership, S corporation, trust or estate, enter the amount of credit recapture that passed through to partners, shareholders, or beneficiaries. Do not include any recapture on this line for partners, shareholders, or beneficiaries for whom you are paying the tax.

**Line 13.** If you did not use all the credit you originally computed either in the year earned or in a carryover year, you will not have to pay tax on recapture of the amount of the tax credit you did not use.

Compute the unused portion of the original credit on a separate sheet and enter it on this line. Do not enter more than the recapture tax on line 11. Do not include the amount of any credits transferred that must be recaptured.

**Line 15.** This is the total increase in tax. Enter it on the proper line of your tax return. DO NOT use this amount to reduce your current year's investment tax credit from Form 49.

**TABLE FOR RECAPTURE OF INVESTMENT TAX CREDIT  
(Section 50, Internal Revenue Code)**

Time held and/or time qualifying	Recapture percent
less than 1 year	100%
more than 1 year less than 2 years	80%
more than 2 years less than 3 years	60%
more than 3 years less than 4 years	40%
more than 4 years less than 5 years	20%