FORM **55**
EFO00034
09-19-12

IDAHO CREDIT FOR QUALIFYING NEW EMPLOYEES

2012

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

PART I. CREDIT AVAILABLE SUBJECT TO LIMITATION

1. Carryover of credit for qualifying new employees from prior year	1	
2. Elimination of carryover due to a reduction in the employment level from the level that existed when the credit carryover was earned	2	
3. Credit distributed to partners, shareholders or beneficiaries. If line 2 is greater than line 1, enter as a negative	3	
4. Total credit available subject to limitation. Add lines 2 and 3 and subtract from line 1. Carry to Part II, line 14a	4	

PART II. CREDIT LIMITATIONS

1. Idaho income tax from the appropriate tax return			1	
2. Credit for tax paid to other states			2	
3. Subtract line 2 from line 1			3	
a. Multiply line 3 by 50%			3a	
4. Qualifying contributions to Idaho educational entities	4			
a. Enter 50% of the qualifying contributions on line 4	4a			
b. Corporations: Enter the smaller of $5,000 or 10% of the tax on line 1. Taxpayers other than corporations: Enter the smaller of $500 ($1,000 if filing a joint return) or 50% of the tax on line 1	4b			
5. **Credit for contributions to Idaho educational entities.** Enter the smallest amount from lines 3a, 4a, or 4b			5	
6. a. Investment tax credit available from Form 49, Part I, line 8	6a			
b. Subtract line 5 from line 3	6b			
c. Subtract line 5 from line 3a	6c			
7. **Investment tax credit allowed.** Enter the smallest amount from lines 6a, 6b, or 6c			7	
8. Qualifying contributions to Idaho youth and rehabilitation facilities	8			
a. Enter 50% of the qualifying contributions on line 8	8a			
b. Corporations: Enter the smaller of $500 or 10% of the tax on line 1. Taxpayers other than corporations: Enter the smaller of $100 ($200 if filing a joint return) or 20% of the tax on line 1	8b			
c. Subtract line 7 from line 6b	8c			
d. Subtract line 7 from line 6c	8d			
9. **Credit for contributions to Idaho youth and rehabilitation facilities allowed.** Enter the smallest amount from lines 8a, 8b, 8c, or 8d			9	
10. Qualifying cost of equipment manufacturing a product from postconsumer or postindustrial waste	10			
a. Enter 20% of line 10	10a			
b. Carryover of credit for production equipment using postconsumer / postindustrial waste from prior years	10b			
c. Add lines 10a and 10b	10c			
d. Subtract line 9 from line 8c	10d			
e. Subtract line 9 from line 8d	10e			
11. **Credit for production equipment using postconsumer waste allowed.** Enter the smallest amount from lines 10c, 10d, 10e, or $30,000			11	

12. a. Promoter sponsored event credit - $1 for each temporary permit issued on behalf of the Tax Commission	12a			
b. Subtract line 11 from line 10d	12b			
13. **Promoter sponsored event credit allowed.** Enter the smaller amount from lines 12a or 12b			13	
14. a. Credit for qualifying new employees available from Form 55, Part I, line 4	14a			
b. Subtract line 13 from line 12b	14b			
c. Subtract line 11 from line 10e	14c			
15. **Credit for qualifying new employees allowed.** Enter the smallest amount from lines 14a, 14b or 14c			15	
16. a. Credit for Idaho research activities available from Form 67, line 22	16a			
b. Subtract line 15 from line 14b	16b			
c. Subtract line 15 from line 14c	16c			
17. **Credit for Idaho research activities allowed.** Enter the smallest amount from lines 16a, 16b, or 16c			17	
18. a. Broadband equipment investment credit available from Form 68, line 11	18a			
b. Subtract line 17 from line 16b	18b			
c. Subtract line 17 from line 16c	18c			
19. **Broadband equipment investment credit allowed.** Enter the smallest amount from lines 18a, 18b, 18c, or $750,000			19	
20. a. Incentive investment tax credit available from Form 69, line 9	20a			
b. Subtract line 19 from line 18b	20b			
c. Subtract line 19 from line 18c	20c			
21. **Incentive investment tax credit allowed.** Enter the smallest amount from lines 20a, 20b, 20c, or $500,000			21	
22. a. Idaho small employer investment tax credit available from Form 83, line 11	22a			
b. Subtract line 21 from line 20b	22b			
c. Multiply line 1 by 62.5%	22c			
23. **Idaho small employer investment tax credit allowed.** Enter the smallest amount from lines 22a, 22b, 22c, or $750,000			23	
24. a. Idaho small employer real property improvement tax credit available from Form 84, line 9	24a			
b. Subtract line 23 from line 22b	24b			
25. **Idaho small employer real property improvement tax credit allowed.** Enter the smallest amount from lines 24a, 24b, or $125,000			25	
26. a. Idaho small employer new jobs tax credit available from Form 85, line 17	26a			
b. Subtract line 25 from line 24b	26b			
c. Multiply line 1 by 62.5%	26c			
27. **Idaho small employer new jobs tax credit allowed.** Enter the smallest amount from lines 26a, 26b, or 26c			27	
28. a. Live organ donation expenses	28a			
b. Subtract line 27 from line 26b	28b			
c. Subtract line 21 from line 20c	28c			
29. **Credit for live organ donation expenses allowed.** Enter the smallest amount from lines 28a, 28b, 28c, or $5,000			29	

30. a. Biofuel infrastructure investment tax credit available from Form 71, line 9	30a		
b. Subtract line 29 from line 28b	30b		
c. Subtract line 29 from line 28c	30c		
31. **Biofuel infrastructure investment tax credit allowed.** Enter the smallest amount from lines 30a, 30b, or 30c		31	

CREDIT CARRYOVER

32. Total credit available subject to limitation. Enter the amount from Part I, line 4.	32	
33. Credit allowed. Enter the amount from Part II, line 15.	33	
34. Credit carryover to future years. Subtract line 33 from line 32. Enter the amount here and on Form 44, Part I, line 4.	34	

Instructions for Idaho Form 55

GENERAL INSTRUCTIONS

The credit for qualifying new employees was eligible to be earned through April 14, 2011. Although the credit can no longer be earned, it may be carried over for three years. Form 55 is used to calculate the carryover allowed.

Credit Limitations
The total credit allowed can't exceed 3.25% of the net income of your trade or business in Idaho. If you claim the credit for qualifying new employees, this credit and most other income tax credits are limited to 50% of the tax after deducting the credit for tax paid to other states.

Carryover Periods
The credit carryover is limited to three tax years. If the number of qualifying employees decreases during the carryover period, you must recompute the credit using the reduced number of qualifying employees to determine the correct amount of carryover.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

PART I. CREDIT AVAILABLE SUBJECT TO LIMITATION

Line 1. Enter the carryover from your 2011 Form 55, Part III, line 34.

Line 2. If you are reporting carryover of credit on line 1 and your employment level decreased from the year when that credit was earned, you must recompute the credit based on the reduced employment level to determine the correct amount of carryover. Subtract the recomputed carryover amount from the amount on line 1 and enter the difference on line 2.

Please provide a schedule showing the computations.

Line 3. If you are a partnership, S corporation, trust, or estate, enter the credit that passed through to the partners, shareholders, or beneficiaries.

PART II. CREDIT LIMITATIONS

If you are claiming against tax the Idaho credit for qualifying new employees, complete Part II to determine the limitation on the credit for qualifying new employees and all other nonrefundable credits.

The following credits must be applied to the tax before the credit for qualifying new employees:

1. Credit for tax paid to other states
2. Credit for contributions to Idaho educational institutions
3. Investment tax credit
4. Credit for contributions to Idaho youth facilities, rehabilitation facilities, and nonprofit substance abuse centers
5. Credit for equipment using postconsumer waste or postindustrial waste
6. Promoter sponsored event credit

Line 1. Enter the amount of your Idaho income tax. This is the computed tax before adding the permanent building fund tax or any other taxes, or subtracting any credits.

Line 2. Enter the credit for tax paid to other states from Form 39R or Form 39NR. This credit is available only to individuals.

Line 4. Enter the amount of qualifying contributions to Idaho educational entities. This credit is limited as indicated on lines 4a and 4b. Qualifying entities are listed in the instruction booklets in the CREDITS section of the specific instructions.

Line 5. Enter the smallest amount from lines 3a, 4a, or 4b. This is the amount of credit for contributions to Idaho educational entities you may claim. Enter this amount on the appropriate line of your Idaho income tax return.

Line 6a. Enter the amount of your investment tax credit available from Form 49, Part I, line 8.

Line 7. Enter the smallest amount from lines 6a, 6b, or 6c. This is the amount of investment tax credit you may claim. Enter this amount on Form 44, Part I, line 1, in the Credit Allowed column.

Line 8. Enter the amount of qualifying contributions to Idaho youth and rehabilitation facilities and nonprofit substance abuse centers. This credit is limited as indicated on lines 8a and 8b. Qualifying entities are listed in the instruction booklets in the CREDITS section of the specific instructions.

Line 9. Enter the smallest amount from lines 8a, 8b, 8c, or 8d. This is the amount of credit for contributions to Idaho youth and rehabilitation facilities and nonprofit substance abuse centers you may claim. Enter this amount on the appropriate line of your Idaho income tax return.

Line 10. Enter the amount of your qualifying cost of equipment used to manufacture a product from postconsumer or postindustrial waste.

Line 10b. Enter the amount of your carryover of credit for production equipment using postconsumer or postindustrial waste. Credit earned but not used against tax may be carried forward up to seven years.

Line 11. Enter the smallest amount from lines 10c, 10d, or 10e, but not more than $30,000. This is the amount of credit for production equipment using postconsumer or postindustrial waste you may claim. Enter this amount on Form 44, Part I, line 2, in the Credit Allowed column.

Line 12a. Enter the amount of your promoter sponsored event credit. This credit is $1 for each temporary sales tax permit you issued on behalf of the Tax Commission during the tax year to participants of a promoter sponsored event. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

Line 13. Enter the smaller amount from lines 12a or 12b. This is the amount of promoter sponsored event credit you may claim. Enter this amount on Form 44, Part I, line 3, in the Credit Allowed column.

Line 14a. Enter the amount of your credit for qualifying new employees available from Form 55, Part I, line 4.

Line 15. Enter the smallest amount from lines 14a, 14b, or 14c. This is the amount of credit for qualifying new employees you may claim. Enter this amount on Form 44, Part I, line 4, in the Credit Allowed column.

Line 16a. Enter the amount of your credit for Idaho research activities available from Form 67, line 22.

Line 17. Enter the smallest amount from lines 16a, 16b or 16c. This is the amount of credit for Idaho research activities you may claim. Enter this amount on Form 44, Part I, line 5, in the Credit Allowed column.

Line 18a. Enter the amount of your broadband equipment investment credit available from Form 68, line 11.

Line 19. Enter the smallest amount from lines 18a, 18b or 18c, but not more than $750,000. This is the amount of broadband equipment investment credit you may claim. Enter this amount on Form 44, Part I, line 6, in the Credit Allowed column.

Line 20a. Enter the amount of your incentive investment tax credit available from Form 69, line 9.

Line 21. Enter the smallest amount from lines 20a, 20b or 20c, but not more than $500,000. This is the amount of incentive investment tax credit you may claim. Enter this amount on Form 44, Part I, line 7, in the Credit Allowed column.

Line 22a. Enter the amount of your Idaho small employer investment tax credit available from Form 83, line 11.

Line 23. Enter the smallest amount from lines 22a, 22b, or 22c, but not more than $750,000. This is the amount of Idaho small employer investment tax credit you may claim. Enter this amount on Form 44, Part I, line 8, in the Credit Allowed column.

Line 24a. Enter the amount of your Idaho small employer real property improvement tax credit available from Form 84, line 9.

Line 25. Enter the smaller amount from lines 24a or 24b, but not more than $125,000. This is the amount of Idaho small employer real property improvement tax credit you may claim. Enter this amount on Form 44, Part I, line 9, in the Credit Allowed column.

Line 26a. Enter the amount of your Idaho small employer new jobs tax credit available from Form 85, line 17.

Line 27. Enter the smallest amount from lines 26a, 26b, or 26c. This is the amount of Idaho small employer new jobs tax credit you may claim. Enter this amount on Form 44, Part I, line 10, in the Credit Allowed column.

Line 28a. Enter the amount of qualified expenses incurred in donating an organ for transplanting in another individual. See the Form 40 instructions for more information.

Line 29. Enter the smallest amount from lines 28a, 28b, or 28c, but not more than $5,000. This is the amount of credit for live organ donation expenses you may claim. Enter this amount on the appropriate line of your Idaho individual income tax return.

Line 30a. Enter the amount of your biofuel infrastructure investment tax credit available from Form 71, line 9.

Line 31. Enter the smallest amount from lines 30a, 30b, or 30c. This is the amount of biofuel infrastructure investment tax credit you may claim. Enter this amount on Form 44, Part I, line 11, in the Credit Allowed column.

Credit Carryover

Line 32. The amount of credit available that exceeds the total credit allowed on the current year tax return may be carried forward up to three years as long as the employment level doesn't decrease. Enter this amount on Form 44, Part I, line 4, in the Carryover column.