

2004

**IDAHO BROADBAND EQUIPMENT
INVESTMENT CREDIT**

FORM 68
TC68041
6-07-04

Month	Day	Year	Month	Day	Year
For calendar year 2004, or fiscal year beginning			ending		
04					
Name(s) as shown on return					Social Security Number or EIN

CREDIT AVAILABLE SUBJECT TO LIMITATION

1. Amount of qualified investments in broadband equipment acquired during the tax year and approved by the Idaho Public Utilities Commission (PUC). <i>Attach a complete list and approval from the Idaho PUC.</i>	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. Credit received by transfer. Attach Idaho Statement of Credit Transfer, Form 70.	5	
6. Carryover of broadband equipment investment credit from prior years. Enter amount from line 26.	6	
7. Credit distributed to partners, shareholders or beneficiaries	7	
8. Credit shared with unitary affiliates	8	
9. Credit transferred to another taxpayer	9	
10. Total credit available subject to limitations. Add lines 2 through 6 and subtract lines 7 through 9.	10	

CREDIT LIMITATIONS

11. Enter the Idaho income tax from your tax return.	11	
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CREDITS CLAIMED ON CURRENT YEAR TAX RETURN If you are claiming the credit for qualifying new employees, complete lines 12 through 18 and skip lines 19 through 22. If you are NOT claiming the credit for qualifying new employees, skip lines 12 through 18 and complete lines 19 through 22.

Complete this section if you are claiming the credit for qualifying new employees.				
12. Enter your credit for tax paid to other states.			12	
13. Subtract line 12 from line 11.			13	
14. Limitation of tax. Multiply line 13 by 50%.			14	
15. a. Credit for contributions to Idaho educational entities	15a			
b. Investment tax credit	15b			
c. Credit for contributions to Idaho youth and rehabilitation facilities	15c			
d. Credit for production equipment using post-consumer waste	15d			
e. Promoter-sponsored event credit	15e			
f. Credit for qualifying new employees	15f			
g. Credit for Idaho research activities.	15g			
h. Add lines 15a through 15g.				15h
16. Tax available after allowance of other credits. Subtract line 15h from line 14.			16	
17. Credit allowable subject to limitation of tax. Enter the smaller of: a. the amount from line 10 or b. \$750,000			17	
18. Total credit allowed on current year tax return. Enter the smaller of line 16 or line 17.			18	

Complete this section if you are NOT claiming the credit for qualifying new employees.

19. a. Credit for tax paid to other states	19a		[Hatched Area]
b. Credit for contributions to Idaho educational entities	19b		
c. Investment tax credit	19c		
d. Credit for contributions to Idaho youth and rehabilitation facilities	19d		
e. Credit for production equipment using post-consumer waste	19e		
f. Promoter-sponsored event credit	19f		
g. Credit for Idaho research activities	19g		
h. Add lines 19a through 19g.	19h		
20. Net income tax after allowance of other credits. Subtract line 19h from line 11.	20		
21. Credit allowable subject to limitation of tax. Enter the smaller of: a. the amount from line 10 or b. \$750,000	21		
22. Total credit allowed on current year tax return. Enter the smaller of line 20 or line 21.	22		

CREDIT CARRYOVER TO 2004

23. Total credit available subject to limitations for tax year 2003 (2003 Form 68, line 10)	23	
24. Credit allowed/used in tax year 2003 (2003 Form 68, line 18 or line 22)	24	
25. Credit recaptured in 2004	25	
26. Carryover to 2004. Subtract lines 24 and 25 from line 23. Carry amount to line 6.	26	

Instructions for Idaho Form 68

GENERAL INSTRUCTIONS

Form 68 is used to calculate the Idaho broadband equipment investment credit earned or allowed. Each member of a unitary group that earns or is allowed the credit must complete a separate Form 68.

Qualifying Property

You must obtain an order from the Idaho Public Utilities Commission (PUC) confirming that your installed equipment is qualified broadband equipment.

Qualified broadband equipment is equipment that qualifies for the investment tax credit and is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. Also, specific requirements must be met by telecommunications carriers, commercial mobile service carriers, cable or open video system operators, satellite or wireless carriers, packet switching equipment, and multiplexing and demultiplexing equipment. The equipment must be used primarily to provide services to public subscribers in Idaho.

Unitary Sharing

A corporation included as a member of a unitary group of corporations may elect to share the broadband equipment investment credit it earns but does not use with other members of the unitary group. The corporation must claim the broadband equipment investment credit to the extent allowable against its Idaho income tax before it can share the credit.

Transfer of Credit

A taxpayer who earns the broadband equipment investment credit and an intermediary may transfer the credit to another taxpayer. The transferor must submit Form 70, Idaho Statement of Credit Transfer, to the Tax Commission at least 60 days prior to the date of transfer. The Tax Commission will verify the amount of credit available for transfer and the number of carryover years.

The transferee may first claim the transferred credit on his income tax return originally filed during the calendar year in which the transfer takes place. However, the credit may not be claimed on a tax return that begins prior to January 1, 2001.

The transferee must attach a copy of Form 70 to each income tax return in which the credit is claimed or carried over.

Carryover Periods

The credit carryover is limited to 14 tax years. A transferee is entitled to the same carryover period that would have been allowed to the transferor.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

CREDIT AVAILABLE SUBJECT TO LIMITATION

Line 1. Attach a list of all property you acquired during the tax year for which you are claiming the broadband equipment investment credit. The list should identify each piece of equipment, your basis in the item, and the date placed in service. Do not include any equipment that was disposed of, that ceased to qualify, or that was moved from Idaho before the end of the year.

You must also attach the approval from the Idaho PUC that confirms the installed equipment is qualified broadband equipment.

Line 3. Enter the amount of broadband equipment investment credit that is being passed to you from 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 of corporations, enter the amount of credit you received from another member of the unitary group.

Line 5. If you received credit as a result of a transfer from another taxpayer, enter the amount of credit you received. Attach a copy of Form 70.

Line 6. Complete lines 23 through 26 on page 2. Enter the amount from line 26.

Line 7. If you are a partnership, S corporation, estate, or trust, enter the amount of credit that passed through to partners, shareholders, or beneficiaries.

Line 8. If you are a member of a unitary group of corporations, 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 Idaho income tax.

Corporations claiming the broadband equipment investment 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.

Line 9. If you transferred credit to another taxpayer, enter the amount of credit you transferred. You can only transfer credit that you originally earned, unless you are an intermediary.

CREDIT LIMITATIONS

The broadband equipment investment credit is limited to the smaller of \$750,000 or the Idaho income tax after allowing all other tax credits that can be claimed before the broadband equipment investment credit. If you claim the Idaho credit for qualifying new employees, the broadband equipment investment credit and most other credits are limited to 50% of your Idaho income tax.

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

1. Credit for tax paid to other states;
2. Credit for contributions to Idaho educational entities;
3. Investment tax credit;
4. Credit for contributions to Idaho youth and rehabilitation facilities;
5. Credit for production equipment using post-consumer waste;
6. Promoter-sponsored event credit;
7. Credit for qualifying new employees; and
8. Credit for Idaho research activities.

If the credit for qualifying new employees is claimed, complete lines 12 through 18 and skip lines 19 through 22. If the credit for qualifying new employees is not claimed, skip lines 12 through 18 and complete lines 19 through 22.

Line 11. 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 12. Enter the credit for tax paid to other states as computed on Form 39R or Form 39NR. This credit is available only to individuals, estates, and trusts.

Line 15a. Enter the credit for contributions to Idaho educational entities as computed on Form 55, Part III, line 6.

Line 15b. Enter the investment tax credit allowed as computed on Form 55, Part III, line 9.

Line 15c. Enter the credit for contributions to Idaho youth and rehabilitation facilities as computed on Form 55, Part III, line 13.

Line 15d. Enter the credit for production equipment using post-consumer waste as computed on Form 55, Part III, line 17.

Line 15e. Enter the promoter-sponsored event credit as computed on Form 55, Part III, line 21.

Line 15f. Enter the allowable credit for qualifying new employees as computed on Form 55, Part III, line 26.

Line 15g. Enter the credit allowed for Idaho research activities as computed on Form 67, line 30.

Line 19a. Enter the credit for tax paid to other states as computed on Form 39R or Form 39NR. This credit is available only to individuals, estates, and trusts.

Line 19b. Enter the credit for contributions to Idaho educational entities from the appropriate Idaho income tax return.

Line 19c. Enter the investment tax credit allowed as computed on Form 49, Part II, line 8.

Line 19d. Enter the credit for contributions to Idaho youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 19e. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 19f. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 19g. Enter the credit allowed for Idaho research activities as computed on Form 67, line 34.

CREDIT CARRYOVER

Line 26. The amount of credit available that exceeds the total credit allowed on the current year tax return may be carried forward up to 14 tax years.