

IDAHO BROADBAND EQUIPMENT INVESTMENT CREDIT

Month	Day	Year	Month	Day	Year
For calendar year 2001, or fiscal year beginning			ending		
			01		
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. Credit distributed to partners, shareholders or beneficiaries	6	
7. Credit shared with unitary affiliates	7	
8. Credit transferred to another taxpayer	8	
9. Total credit available subject to limitations. Add lines 2 through 5 and subtract lines 6 through 8.	9	

CREDIT LIMITATIONS

10. Enter the Idaho income tax liability from your tax return.	10	
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CREDITS CLAIMED ON CURRENT YEAR TAX RETURN If you are claiming the credit for qualifying new employees, complete lines 11 through 17 and skip lines 18 through 21. If you are NOT claiming the credit for qualifying new employees, skip lines 11 through 17 and complete lines 18 through 21.

Complete this section if you are claiming the credit for qualifying new employees.

11. Credit for tax paid to other states	11	
12. Subtract line 11 from line 10.	12	
13. Limitation of tax. Multiply line 12 by 50%.	13	
14. a. Credit for contributions to Idaho educational entities	14a	
b. Idaho investment tax credit	14b	
c. Credit for contributions to youth and rehabilitation facilities	14c	
d. Credit for production equipment using post-consumer waste	14d	
e. Natural resources conservation credit	14e	
f. Promoter-sponsored event credit	14f	
g. Credit for qualifying new employees	14g	
h. Credit for Idaho research activities.	14h	
i. Add lines 14a through 14h.	14i	
15. Tax available after allowance of other credits. Subtract line 14i from line 13.	15	
16. Credit allowable subject to limitation of tax. Enter the smaller of: a. the amount from line 9 or b. \$750,000	16	
17. Total credit allowed on current year tax return. Enter the smaller of line 15 or line 16.	17	

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

18. a. Credit for tax paid to other states	18a		
b. Credit for contributions to Idaho educational entities	18b		
c. Idaho investment tax credit	18c		
d. Credit for contributions to youth and rehabilitation facilities	18d		
e. Credit for production equipment using post-consumer waste	18e		
f. Natural resources conservation credit	18f		
g. Promoter-sponsored event credit	18g		
h. Credit for Idaho research activities	18h		
i. Add lines 18a through 18h.		18i	
19. Net income tax after allowance of other credits. Subtract line 18i from line 10.		19	
20. Credit allowable subject to limitation of tax. Enter the smaller of:			
a. the amount from line 9 or			
b. \$750,000		20	
21. Total credit allowed on current year tax return. Enter the smaller of line 19 or line 20.		21	

CREDIT CARRYOVER

22. Total credit available subject to limitations. Enter the amount from line 9.	22	
23. Total credit allowed on current year tax return. Enter the amount from line 17 or line 21.	23	
24. Credit carryover to future years. Subtract line 23 from line 22.	24	

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 apply and 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. In addition, 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 tax liability before it can share the credit.

Transfer of Credit

A taxpayer who earns the broadband equipment investment credit 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 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 acquired. 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. If you are a partnership, S corporation, estate, or trust, enter the amount of credit that passed through to partners, shareholders, or beneficiaries.

Line 7. 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 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.

Line 8. If you transferred credit to another taxpayer, enter the amount of credit you transferred. You can only transfer credit that you originally earned.

CREDIT LIMITATIONS

The broadband equipment investment credit is limited to the smaller of \$750,000 or the tax liability after allowing all other tax credits that can be claimed before the broadband equipment investment credit. If the credit for qualifying new employees is claimed, the broadband

equipment investment credit and all credits except the credit for tax paid to other states are limited to 50% of your tax liability after deducting the credit for tax paid to other states.

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 youth and rehabilitation facilities;
5. Credit for production equipment using post-consumer waste;
6. Natural resources conservation credit;
7. Promoter-sponsored event credit;
8. Credit for qualifying new employees; and
9. Credit for Idaho research activities.

If the credit for qualifying new employees is claimed, complete lines 11 through 17 and skip lines 18 through 21. If the credit for qualifying new employees is not claimed, skip lines 11 through 17 and complete lines 18 through 21.

Line 10. Enter the amount of your income tax liability. Income tax liability is the computed tax before adding the permanent building fund tax, any other taxes or subtracting any credits.

Line 11. Individuals enter the credit for tax paid to other states as computed on Form 39R or Form 39NR.

Line 14a. Enter the credit for contributions to educational entities from the appropriate Idaho income tax return.

Line 14b. Enter the investment tax credit allowed as computed on Form 49, Part II, line 9b or line 10.

Line 14c. Enter the credit for contributions to youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 14d. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 14e. Enter the natural resources conservation credit from the appropriate Idaho income tax return.

Line 14f. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 14g. Enter the allowable credit for qualifying new employees as computed on Form 55, Part II, line 29.

Line 14h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 29.

Line 15. The total of nonrefundable credits claimed cannot exceed the amount on line 13.

Line 18a. Individuals enter the credit for tax paid to other states as computed on Form 39R or Form 39NR.

Line 18b. Enter the credit for contributions to educational entities from the appropriate Idaho income tax return.

Line 18c. Enter the investment tax credit allowed as computed on Form 49, Part II, line 9b or line 10.

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Line 18g. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 18h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 33.

Line 19. The total of nonrefundable credits claimed cannot exceed the amount on line 10.

CREDIT CARRYOVER

Line 24. 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.

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