

# IDAHO BIOFUEL INFRASTRUCTURE INVESTMENT TAX CREDIT

Name(s) as shown on return	Social Security Number or EIN
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**CREDIT AVAILABLE SUBJECT TO LIMITATION**

1. Amount of qualified investments in biofuel infrastructure placed in service after July 1, 2007. <i>Attach a complete list of qualified investments</i> .....	1	
2. Credit earned. Multiply line 1 by 6% .....	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 of biofuel infrastructure investment tax credit from prior years .....	5	
6. Credit recaptured in 2007. Enter the amount from Form 71R, line 13. Attach Form 71R .....	6	
7. Credit distributed to partners, shareholders or beneficiaries .....	7	
8. Credit shared with unitary affiliates .....	8	
9. Total credit available subject to limitations. Add lines 2 through 5 and subtract lines 6 through 8 .....	9	

**CREDIT LIMITATIONS**

If you are claiming the credit for qualifying new employees, compute the limitation on Form 55, then complete lines 32 through 34 on this form.  
If you are not claiming the credit for qualifying new employees, complete lines 10 through 34.

10. Enter the Idaho income tax from your tax return .....	10	
11. Credit for tax paid to other states .....	11	
12. Credit for contributions to Idaho educational entities .....	12	
13. Investment tax credit .....	13	
14. Credit for contributions to Idaho youth and rehabilitation facilities .....	14	
15. Credit for production equipment using postconsumer waste .....	15	
16. Promoter sponsored event credit .....	16	
17. Credit for Idaho research activities .....	17	
18. Broadband equipment investment credit .....	18	
19. Incentive investment tax credit .....	19	
20. Corporate headquarters investment tax credit .....	20	
21. Corporate headquarters real property improvement tax credit .....	21	
22. Corporate headquarters new jobs tax credit .....	22	
23. Small employer investment tax credit .....	23	
24. Small employer real property improvement credit .....	24	
25. Small employer new jobs tax credit .....	25	
26. Credit for live organ donation expenses .....	26	
27. Add lines 11 through 26 .....	27	
28. Tax available after other credits. Subtract line 27 from line 10 .....	28	
29. 50% of tax. Multiply line 10 by 50% .....	29	
30. Biofuel infrastructure investment tax credit available. Enter the amount from line 9 .....	30	
31. Total credit allowed on current year tax return. Enter the smallest amount from lines 28, 29, or 30 here and on Form 44, Part I, line 14 .....	31	

**CREDIT CARRYOVER**

32. Total credit available subject to limitations. Enter the amount from line 9 .....	32	
33. Credit allowed. Enter the amount from line 31 or from Form 55, Part III, line 37 .....	33	
34. Credit carryover to future years. Subtract line 33 from line 32. Enter the amount here and on Form 44, Part I, line 14 .....	34	

# Instructions for Idaho Form 71

## GENERAL INSTRUCTIONS

Form 71 is used to calculate the Idaho biofuel infrastructure investment tax credit (biofuel ITC) earned or allowed. Each member of a unitary group that earns or is allowed the credit must complete a separate Form 71.

The biofuel ITC is first available for qualified investment placed in service during tax years beginning on or after January 1, 2007. The qualified investment must be placed in service after July 1, 2007. If you placed property in service that is used to sell biofuel in Idaho, you may be able to claim a 6% biofuel ITC. This credit is allowed instead of the regular 3% investment tax credit (ITC).

### Qualifying Property

Qualified investment is the installation of new fueling infrastructure used to sell biofuel or offer biofuel for sale. Fueling infrastructure means:

- necessary tanks
- piping
- pumps, pump stands, and hoses
- monitors
- blending equipment
- meters
- rack injection systems
- any other equipment, including installation of equipment, necessary for a fuel distributor to offer biofuel to its customers or for a retail fuel outlet to offer biofuel for sale

The fueling infrastructure must be new property. Used property does not qualify. New property is property acquired or constructed by the taxpayer whose original use begins with the taxpayer after such acquisition or construction. Original use means the first use to which the property is put, whether or not that corresponds to the use of the property by the taxpayer. Property used by the taxpayer prior to its acquisition does not qualify as new property.

Qualified investment also includes the costs to upgrade existing fueling infrastructure that is not compatible with biofuel. This includes the costs to clean existing fuel storage tanks, trucks, or other equipment for the purpose of providing biofuels.

The qualified investment must be located in Idaho.

Biofuel is any fuel offered for sale as a transportation fuel. It must be agriculturally derived and meet applicable American Society for Testing and Materials standards as required in Idaho Code section 37-2506. This includes ethanol, ethanol-blended fuel, biodiesel, and biodiesel blends.

### Investment Tax Credit

If you claim the biofuel ITC, you can't claim the regular ITC on the same property.

### Election to Claim Two-Year Property Tax Exemption and Forgo Investment Tax Credit

If you elected to exempt personal property from your property tax, you may not claim the biofuel ITC on the same property.

### Unitary Sharing

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

### Carryover Periods

You may carry forward for five tax years any biofuel ITC that was earned but not used against tax. For purposes of the carryover period, a short tax year counts as one tax year.

### Recapture

You must compute recapture if you sell or otherwise dispose of the property or it ceases to qualify for the biofuel ITC before it has been in service for five full years.

File Form 71R to report recapture of the biofuel ITC.

## SPECIFIC INSTRUCTIONS

**Line 1.** Attach a list of all property you placed in service after July 1, 2007 for which you are claiming the biofuel ITC. The list should identify each item of property, your basis in the item, and the date placed in service. Don't include any equipment that was disposed of, that ceased to qualify, or that was moved from Idaho before the end of the year.

**Line 3.** Enter the amount of biofuel ITC 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.** This line isn't available for tax years beginning in 2007 since you can't earn the credit in tax years that begin before January 1, 2007.

**Line 7.** If you are a partnership, S corporation, trust or estate, 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 biofuel ITC 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.

### CREDIT LIMITATIONS

If you earned or are claiming against tax the Idaho credit for qualifying new employees, skip lines 10 through 31 and compute the limitations on Form 55, Idaho Credit for Qualifying New Employees, Part III, Credit Limitations. The biofuel ITC and most other credits will be limited to 50% of your Idaho income tax. Return to Form 71, line 32 to compute the credit carryover.

If you didn't earn or aren't claiming against tax the credit for qualifying new employees, compute the credit limitations on Form 71. The biofuel ITC is limited to 50% of your Idaho income tax or the Idaho income tax after allowing all other tax credits that can be claimed before the biofuel ITC.

The following credits must be applied to the tax before the biofuel ITC:

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 postconsumer waste
6. Promoter sponsored event credit
7. Credit for qualifying new employees
8. Credit for Idaho research activities
9. Broadband equipment investment credit
10. Incentive investment tax credit
11. Corporate headquarters ITC, real property improvement tax credit, and new jobs tax credit
12. Small employer ITC, real property improvement tax credit, and new jobs tax credit
13. Credit for live organ donation expenses

**Line 10.** 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 11.** 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 12.** Enter the credit for contributions to Idaho educa-

tional entities from the appropriate Idaho income tax return.

**Line 13.** Enter the investment tax credit allowed as computed on Form 49, Part II, line 8.

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

**Line 15.** Enter the credit for production equipment using postconsumer waste from the appropriate Idaho income tax return.

**Line 16.** Enter the promoter sponsored event credit from the appropriate Idaho income tax return.

**Line 17.** Enter the credit allowed for Idaho research activities as computed on Form 67, line 27.

**Line 18.** Enter the broadband equipment investment tax credit allowed as computed on Form 68, line 16.

**Line 19.** Enter the incentive investment tax credit allowed as computed on Form 69, line 14.

**Line 20.** Enter the corporate headquarters investment tax credit allowed as computed on Form 80, line 25.

**Line 21.** Enter the corporate headquarters real property improvement tax credit allowed as computed on Form 81, line 24.

**Line 22.** Enter the corporate headquarters new jobs tax credit allowed as computed on Form 82, line 32.

**Line 23.** Enter the small employer investment tax credit allowed as computed on Form 83, line 26.

**Line 24.** Enter the small employer real property improvement tax credit allowed as computed on Form 84, line 24.

**Line 25.** Enter the small employer new jobs tax credit allowed as computed on Form 85, line 33.

**Line 26.** Enter the credit for live organ donation expenses from the appropriate Idaho income tax return.

**Line 31.** Enter the smallest amount from lines 28, 29, or 30 on line 31. Enter this amount on Form 44, Part I, line 14 in the Credit Allowed column.

### CREDIT CARRYOVER

**Line 34.** The amount of credit available that exceeds the total credit allowed on the current year tax return may be carried forward up to five tax years. Enter this amount on Form 44, Part I, line 14, in the Carryover column.