EIN00035
08-26-09

Instructions for Idaho Form 41EST

WHO MUST MAKE ESTIMATED TAX PAYMENTS

A corporation must make estimated tax payments to the Tax Commission if it is required to make estimated tax payments to the Internal Revenue Service and will have an Idaho income tax liability of $500 or more. Estimated tax payments aren't required if the corporation wasn't required to file an Idaho return the previous tax year.

If you received personalized payment vouchers, use the appropriate voucher for each filing period. If any of the preprinted information is incorrect, draw a line through it and enter the correct information. Check the box on the voucher if there is a change in your mailing address.

If you don't have a preprinted form, use the Form 41ES. You can find it on our Web site at **tax.idaho.gov**.

ESTIMATED TAX PAYMENTS

Each estimated tax payment must be 25% of the lesser of the tax required to be reported on the corporation's return for the prior year, or 90% of the income tax required to be paid on the current year's return. Don't include fuels tax due, sales/use tax due, fuels tax refunds, or tax from the recapture of qualified investment exemption (QIE) reported on the income tax returns.

For corporations, the tax required to be reported is defined as Idaho taxable income multiplied by the appropriate tax rate, plus the permanent building fund tax, plus tax from recapture of business income tax credits, minus allowable income tax credits. A corporation making estimated tax payments in a year following the revocation of subchapter S status will use $20 as the tax amount required to be reported on the prior year's return.

For S corporations, estimated tax payments are computed on the Idaho tax due to net recognized built-in gains and excess net passive income. Estimated tax payments aren't required on the tax due on income being reported for individual shareholders.

COMPUTATION OF ESTIMATED TAX PAYMENTS

The Form 41EST worksheet allows you to compare the income tax on last year's return with the anticipated income tax for the current year. Use the smaller of the two amounts to determine the estimated tax payment for each period. If your estimated tax payments are based on 90% of the income tax required to be paid on the current year's return and the anticipated income tax for the current year is revised, use the revised amount to recompute any remaining estimated tax payments.

DUE DATES

For calendar year taxpayers, estimated tax payments are due by the 15th day of April, June, September, and December. For fiscal year taxpayers, estimated tax payments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year.

The due dates for the federal estimated tax payments and the Idaho estimated tax payments are the same. If the due date is on a Saturday, Sunday, or legal holiday, the payment is due on the next regular business day.

UNDERPAYMENT OF ESTIMATED TAX

Interest is due on the difference between the amount of estimated tax payment required to be made on each voucher and the amount of estimated tax payment actually made. Interest is computed from the due date of the estimated payment until the required amount is paid or until the due date of the return. The interest rate for 2009 and 2010 is 5%.

Form 41ESR, Underpayment of Estimated Tax, is provided with your corporate income tax return packet. Use the form to determine the amount of any underpayments of tax and interest due when you file your return.

OVERPAYMENT OF ESTIMATED TAX

Excess estimated tax payments will be refunded after you file the completed return. You may apply all or part of the excess to the subsequent year's estimated tax by designating the amount on the corporation income tax return, Form 41, or the S corporation return, Form 41S.

Overpayments will be applied to any prior year tax liabilities before carryovers or refunds are allowed. You will be notified if your overpayment is applied to an existing liability, or is used to reduce your refund or carryover.

ANNUALIZED INCOME AND ESTIMATED TAX PAYMENTS

If your estimated payments are based on annualized income for federal purposes, you may use that same method for making Idaho estimated tax payments. The estimated tax due for the installment period is calculated by multiplying the applicable percentage (22.5%, 45%, 67.5% and 90% for the 1st, 2nd, 3rd, and 4th installments, respectively) by the full year's tax on the annualized income for the period and deducting any prior installments.

SHORT TAX YEAR

If the short tax year ends before any remaining due dates, you must make a final estimated tax payment by the 15th day of the last month of the short tax year. No estimated tax payment is required if the short tax year is less than four months or if the requirements to make an estimated tax payment are not met before the first day of the last month in the short tax year.

Use the worksheet below to determine the correct amount for your estimated tax payment

1.	Anticipated Idaho taxable income this year	1.	_____
2.	Income tax on anticipated Idaho taxable income. Multiply line 1 by 7.6%	2.	_____
3.	Permanent building fund tax ($10 or, if a combined report, multiply $10 by the number of corporations required to file for income tax purposes)	3.	_____
4.	Tax from recapture of business income tax credits. See Form 44, Part II, for a complete list	4.	_____
5.	Total income tax. Add lines 2, 3, and 4	5.	_____
6.	Anticipated income tax credits	6.	_____
7.	Estimated income taxes payable on this year's return. Line 5 minus line 6	7.	_____
	If the amount is less than $500, stop here. You are not required to make estimated tax payments.		
8.	Multiply line 7 by 90%	8.	_____
9.	Idaho total tax less the total of any fuels tax due, sales/use tax due, and tax from recapture of QIE	9.	_____
10.	Estimated tax payments. Multiply the smaller of lines 8 or 9 by 25%. This is the amount of each estimated tax payment. Enter this amount in the "Payment Due" box of your 41EST	10.	_____