

INSTRUCTIONS FOR IDAHO FORM PTE-12

GENERAL INSTRUCTIONS

A pass-through entity (PTE) transacting business in Idaho, including a trust or estate with income taxable in Idaho, must file a composite return or withhold amounts from the pass-through income of individual nonresidents. If the nonresident owner files an Idaho Nonresident Owner Agreement or had income of less than \$1,000 for the tax year, the PTE is not required to withhold tax or include the owner on a composite return. The withholding is a prepayment of Idaho income tax for the individual nonresident owner and is paid using a Form PTE-01. Withholding cannot be paid on the PTE's income tax return or Form PTE-12.

If the PTE's owners are not natural persons (including corporations, partnerships, trusts, and estates), the income must flow through to the entity's own return. Do not withhold or include them in a composite return.

Form PTE-12 is the reconciliation schedule to be included with the PTE's Idaho income tax return (Form 41S, Form 65 or Form 66) as required by Idaho Code section 63-3036B. Each owner's complete information is required on the PTE-12. If Form 66 is being filed, refer to the Form 66 Specific Instructions for information on completing Form PTE-12.

SPECIFIC INSTRUCTIONS

Heading

Enter the PTE's name and Employer Identification Number (EIN) in the space provided.

PTE Tax Year Ending

Enter the ending date of the PTE's tax year.

Contact Name and Telephone Number

Enter the name, telephone number, and email address of a person who may be contacted regarding the information reported on Form PTE-12.

Owner's Name and Social Security Number or EIN

Enter the name and corresponding Social Security number of each owner as it will appear on their Idaho income tax return, one owner per line.

Address

Enter the owner's address, city, state and ZIP Code.

Column (a) Filing Code

Enter one of the following letters corresponding to the filing code for the owner:

- A** if the owner has provided an Idaho nonresident owner agreement.

By entering the "A" filing code, the PTE agrees that they have received and approved the nonresident owner agreement from the individual and acknowledge that the PTE is liable for any tax due if the individual fails to file a return and pay the tax as agreed.

- C** if the individual owner is included in a composite return. If the owner is another entity, the income can't be included on a composite return.

- N** if the individual owner isn't subject to backup withholding. Withholding is not required on income of less than \$1,000. Do not withhold on the income of owners and beneficiaries if they are not natural persons (including corporations, partnerships, trusts, and estates).

- R** if the owner is an Idaho resident or part year resident filing an individual Idaho return.

- W** if the PTE is paying withholding on behalf of a non-resident individual on Form PTE-01. Withholding can't be paid on behalf of another entity.

Column (b) Idaho Distributable Income

If filing code "A", "N" or "R" is entered in Column (a), enter in Column (b) the Idaho distributable income.

Enter the total amount of the owner's pass-through income. This includes the pro rata or distributive share of income including guaranteed payments to a partner multiplied by the pass-through entity's Idaho apportionment factor. The total for this column will be entered on either Form 41S, line 40 or Form 65, line 38.

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Column (c) Idaho Distributable Income

If filing code "W" is entered in Column (a), enter in Column (c) the Idaho distributable income of the nonresident individual who is subject to withholding by the PTE.

Enter the total amount of the owner's pass-through income. This includes the pro rata or distributive share of income including guaranteed payments to a partner multiplied by the pass-through entity's Idaho apportionment factor. The total for this column will be entered on either Form 41S, line 41 or Form 65, line 39.

Column (d) Income Tax Withholding

If filing code "W" is entered in Column (a), enter in Column (d) the tax withheld on behalf of the nonresident individual by the PTE. The total amount reported should agree with the total amount of the PTE-01s submitted.

Column (e) Idaho Distributable Income

If filing code "C" is entered in Column (a), enter in Column (e) the Idaho distributable income of the nonresident individuals included in the composite return.

Enter the total amount of the owner's pass-through income. This includes the pro rata or distributive share of income including guaranteed payments to a partner multiplied by the pass-through entity's Idaho apportionment factor. The total for this column will be entered on either Form 41S, line 42 or Form 65, line 40.

Column (f) Income Tax Paid by Entity

If filing code "C" is entered in Column (a), enter in Column (f) the tax paid on behalf of the nonresident individual by the PTE on the composite return. For those individuals with positive income, tax is computed by multiplying the income by the tax rate of 7.4%. The total for this column will be entered on either Form 41S, line 43 or Form 65, line 41.