Pass-through Entities (PTE) Checklist

A. Include all necessary forms

Place your forms in this order when you file your Idaho business income tax return:

1. Entity’s return Form 41 S (S Corporation), or Form 65 (Partnership), or Form 66 (Estate/Trust).
2. Form 42, Apportionment and Combined Reporting Adjustments.
3. Form PTE-12, Schedule for Pass-through Owners.
4. Form(s) ID K-1, Partner’s Shareholder’s, or Beneficiary’s, Share of Idaho Adjustments, Credits, etc.
5. Any additional Idaho business income tax forms or schedules. First, place any alphabetically-named ones in order by form/schedule name. Then, place any numerically-named ones in order by form/schedule name.
6. The entity’s complete federal income tax return, including all Form(s) ID K-1.

B. Check your math

If filing Form 41S (S Corporation):

- [ ] The sum of lines 40 through 42 must match the sum of lines 38 through 39.
- [ ] Line 40 must match the column (b) total on Form PTE-12.
- [ ] Line 41 must match the column (e) total on Form PTE-12.
- [ ] Line 42 must match the column (c) total on Form PTE-12.

If filing Form 65 (Partnership):

- [ ] The sum of lines 38 through 40 must match the sum of lines 36 through 37.
- [ ] Line 38 must match the column (b) total on Form PTE-12.
- [ ] Line 39 must match the column (e) total on Form PTE-12.
- [ ] Line 40 must match the column (c) total on Form PTE-12.

If filing Form 66 (Estate/Trust) and passing income to beneficiaries:

- [ ] Line 5 must match the sum of the total amounts from columns (b), (c), and (e) on Form PTE-12.
- [ ] Line 15 must match the column (e) total on Form PTE-12.
- [ ] Line 16 must match the column (f) total on Form PTE-12.
- [ ] See Idaho Code section 63-3026A(3)(a)(iv) for information about investment income to a nonresident beneficiary.
C. Understand how to compute Idaho distributable income

Use this general formula to compute Idaho distributable income for each owner. Report the income on Form PTE-12.

\[+ \begin{array}{l}
\text{Start with Federal Income/loss subject to Idaho apportionment factor} \\
\text{(If filing IRS Form 1065, Schedule K, lines 1-12)} \\
\text{(If filing IRS Form 1120S, Schedule K, lines 1-11)}
\end{array} \]

\[+ \begin{array}{l}
\text{Plus Idaho additions}
\end{array} \]

\[\begin{array}{l}
\text{Minus Idaho subtractions}
\end{array} \]

\[= \begin{array}{l}
\text{Equals net business income subject to apportionment}
\end{array} \]

\[\times \begin{array}{l}
\text{Multiply by Idaho apportionment factor}
\end{array} \]

\[+ \begin{array}{l}
\text{Plus income or (loss) allocated to Idaho}
\end{array} \]

\[= \begin{array}{l}
\text{Equals Idaho distributable income for the entity}
\end{array} \]

\[\times \begin{array}{l}
\text{Multiplied by the owner’s percentage of ownership}
\end{array} \]

\[= \begin{array}{l}
\text{Equals the owner’s share of Idaho distributable income}
\end{array} \]

Enter the Idaho distributable income for each owner on the Form PTE-12 as applicable in column (b), (c), or (e).

Find more information about pass-through entities as tax.idaho.gov/pte