

## 2014 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 41S (S Corporation), or Form 65 (Partnership), or Form 66 (Estate/Trust).
2. Form 42, Idaho Apportionment and Combined Reporting Adjustments.
3. Form PTE-12, Idaho 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) 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 (c) total on Form PTE-12.
- Line 42 must match the column (e) total on Form PTE-12.
- Line 43 must match the column (f) 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 (c) total on Form PTE-12.
- Line 40 must match the column (e) total on Form PTE-12.
- Line 41 must match the column (f) 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 14 must match the column (e) total on Form PTE-12.
- Line 15 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.

$$\begin{array}{rll} + & \textit{Start with} & \text{federal income/loss subject to Idaho apportionment factor} \\ & \text{(If filing IRS Form 1065, Schedule K, lines 1-12)} & \\ & \text{(If filing IRS Form 1120S, Schedule K, lines 1-11)} & \\ \\ + & \textit{Plus} & \text{Idaho additions} \\ \\ - & \textit{Minus} & \text{Idaho subtractions} \\ \hline = & \textit{Equals} & \text{net business income subject to apportionment} \\ \\ \times & \textit{Multiply by} & \text{Idaho apportionment factor} \\ \\ + & \textit{Plus} & \text{income or (loss) allocated to Idaho} \\ \hline = & \textit{Equals} & \text{Idaho distributable income for the entity} \\ \\ \times & \textit{Multiplied by} & \text{the owner's percentage of ownership} \\ \hline = & \textit{Equals} & \text{the owner's share of Idaho distributable income} \end{array}$$

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

Find more information about pass-through entities at [tax.idaho.gov/i-1156.cfm](http://tax.idaho.gov/i-1156.cfm).