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.

\[\text{Start with} \quad \text{federal income/loss subject to Idaho apportionment factor}\]

(If filing IRS Form 1065, Schedule K, lines 1-12)

(If filing IRS Form 1120S, Schedule K, lines 1-11)

\[\text{Plus} \quad \text{Idaho additions}\]

\[\text{Minus} \quad \text{Idaho subtractions}\]

\[= \quad \text{Equals net business income subject to apportionment}\]

\[\times \quad \text{Multiply by} \quad \text{Idaho apportionment factor}\]

\[\text{Plus} \quad \text{income or (loss) allocated to Idaho}\]

\[= \quad \text{Equals Idaho distributable income for the entity}\]

\[\times \quad \text{Multiplied by} \quad \text{the owner’s percentage of ownership}\]

\[= \quad \text{Equals the owner’s share of Idaho distributable income}\]

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).