

Form 44
Business Income Tax Credits, Credit Recapture,
and Nonrefundable Credit From a Prior Year Return

2025

Names as shown on return

Social Security number or EIN

Part I — Business Income Tax Credits

		Credit Allowed	Carryover
1. Investment tax credit. Include Form 49	▪ 1		▪
2. Credit for production equipment using post-consumer waste	▪ 2		▪
3. Promoter-sponsored event credit	▪ 3		
4. Credit for Idaho research activities. Include Form 67	▪ 4		▪
5. Broadband equipment investment credit. Include Form 68	▪ 5		▪
6. Small employer investment tax credit. Include Form 83	▪ 6		▪
7. Small employer real property improvement tax credit. Include Form 84	▪ 7		▪
8. Small employer new jobs tax credit. Include Form 85	▪ 8		▪
9. Credit for employer contributions to employee's Idaho college savings account. Include Form ID-529	▪ 9		▪
10. Total business income tax credits allowed. Add lines 1 through 9 ...	▪ 10		

Part II — Tax from Recapture of Business Income Tax Credits

Tax from recapture of:		
1. Investment tax credit. Include Form 49R	▪ 1	
2. Broadband equipment investment credit. Include Form 68R	▪ 2	
3. Small employer investment tax credit. Include Form 83R	▪ 3	
4. Small employer real property improvement tax credit. Include Form 84R	▪ 4	
5. Small employer new jobs tax credit. Include Form 85R	▪ 5	
6. Total tax from recapture of business income tax credits. Add lines 1 through 5	▪ 6	

Part III — Nonrefundable Credit From a Prior Year Return

By completing this section, I am filing my claim for credit.

	A	B	C	D	E	F	G
Year							
Nonrefundable Credit							
1. Total nonrefundable credit. Add columns A through G	▪ 1						
2. Carryover from prior year	▪ 2						
3. Add lines 1 and 2. This is your total credit	▪ 3						
4. Enter tax due, plus penalty and interest from applicable form	▪ 4						
5. Credit allowed. If line 4 is less than line 3, this is your allowed credit. If line 4 is more than line 3, enter the amount from line 3	▪ 5						
6. Credit remaining for future years. Subtract line 5 from line 3. If the result is less than zero, enter zero	▪ 6						

Form 44 — Instructions
Business Income Tax Credits, Credit Recapture,
and Nonrefundable Credit From a Prior Year Return

2025

Part I of Form 44 provides a list of the Idaho business credits allowed and the credit carryover amounts.

Part II of Form 44 provides a list of the tax from recapture of income tax credits.

You must include Form 44 with your return if you're claiming any business income tax credits or have any tax from recapture of income tax credits.

Forms 41 and 41S

Carry the total of the business income tax credits allowed and the tax from recapture of income tax credits to Form 41.

If the S corporation either makes the ABE election or pays the tax for one or more nonresident individual shareholders, carry those shareholders' proportionate share of the total business income tax credits and tax from recapture of income tax credits to Form 41S. Don't enter the total credit or tax from recapture if the S corporation isn't paying the tax for all the shareholders.

You can use credits earned by a C corporation before becoming an S corporation to offset any tax on excess net passive income or net recognized built-in gains, subject to the credit limitations. Include a schedule showing the application of the credit carryovers to the S corporation's tax.

Form 65

If the partnership either makes the ABE election or pays the tax for one or more nonresident individual partners, those partners' distributive share of the total business credits and tax from recapture of income tax credits is carried to Form 65. Don't include the total credit or tax from recapture if the partnership isn't paying the tax for all the partners.

Part I — Business Income Tax Credits

Part I has two columns: the Credit Allowed column for the amount of credit allowed for the tax year and the Carryover column for the amount of carryover that exists at the end of the tax year.

If the corporation files a combined return, the following credits can be shared with members of the combined group rather than carried forward to future years:

- Investment tax credit
- Credit for Idaho research activities
- Broadband equipment investment credit
- Small employer income tax credits

The corporation that earned the credit must claim the credit to the extent allowable against its tax liability before sharing the credit with other members. A corporation that receives the credit through unitary sharing computes the applicable limitations based on its tax. Any unused credit remains with the member that earned the credit. Include a schedule identifying the member earning the credit and the members using the credit.

The broadband equipment investment credit can be transferred to another taxpayer rather than used by the taxpayer who earns the credit.

To claim a credit you acquired through a transfer, include a copy of Form 70, *Statement of Credit Transfer*, with each return on which you're claiming a transferred credit.

Line 1 Investment Tax Credit (ITC)

If you acquire an asset for use in your business, you may have earned an ITC.

Credit Allowed. Enter the credit allowed from Form 49, Part II, line 9.

Carryover. Enter the credit available minus the credit allowed: Form 49, Part II, line 7 plus line 8, minus line 9 or Form 49ABE, Part II, line 5 minus line 6.

Line 2 Credit for Production Equipment Using Post-consumer Waste

If you bought equipment that manufactures a product from post-consumer or post-industrial waste, you may be eligible for a tax credit. The credit is 20% of your cost to buy qualified equipment.

Qualified equipment is machinery or equipment in Idaho with a useful life of three years or more.

In addition, 90% of the equipment's production must result in products using post-consumer or post-industrial waste.

Product is any manufactured material that's composed of at least 50% of post-consumer or post-industrial waste and offered for sale. Product doesn't include shredded material unless it's incorporated directly into the manufacturing process.

Post-consumer or post-industrial waste includes only glass, paper, or plastic that has been or would have been disposed of as solid waste. It doesn't include radioactive or hazardous waste.

Include a schedule showing your computations, listing the qualified equipment, identifying the post-consumer or post-industrial waste products, and identifying the newly manufactured products.

Credit Allowed. Enter the smallest of:

- \$30,000
- 20% of the cost to purchase qualified equipment plus the amount of credit carried forward, or
- Tax available:
 - If filing Form 41, the tax on line 38 minus the amounts on lines 39, 40, and Form 44, Part I, line 1
 - If filing Form 41S, the tax on line 44 minus the amounts on lines 45, 46, and Form 44, Part I, line 1
 - If filing Form 65, the tax on line 42 minus the amounts on lines 43, 44, and Form 44, Part I, line 1
 - If filing Form 66, the tax on line 11 minus the amounts on Schedule B, lines 2, 3, and 4 and Form 44, Part I, line 1

Carryover. Enter the amount of credit available minus the amount allowed. Include a schedule showing your computations. You may carry forward the unused portion of the credit up to seven years.

Line 3 Promoter-sponsored Event Credit

If you issued temporary sales tax permits to participants of a promoter-sponsored event on behalf of the Tax Commission, you can claim a \$1 credit for each temporary permit issued during the tax year. Promoter-sponsored events include

swap meets, flea markets, gun shows and fairs. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

Credit allowed. Enter the smaller of:

- \$1 for each temporary permit issued during the tax year, or
- Tax available:
 - If filing Form 41, the tax on line 38 minus the amounts on lines 39, 40, and Form 44, Part I, lines 1 and 2
 - If filing Form 41S, the tax on line 44 minus the amounts on lines 45, 46, and Form 44, Part I, lines 1 and 2
 - If filing Form 65, the tax on line 42 minus the amounts on lines 43, 44, and Form 44, Part I, lines 1 and 2
 - If filing Form 66, the tax on line 11 minus the amounts on Schedule B, lines 2, 3, and 4 and Form 44, Part I, lines 1 and 2

Line 4 Credit for Idaho Research Activities

If you incurred expenses for research conducted in Idaho, you may have earned the credit for Idaho research activities.

Credit Allowed. Enter the credit allowed from Form 67, line 27. Include Form 67.

Carryover. Enter the amount of credit carryover to future years from Form 67, line 30.

Line 5 Broadband Equipment Investment Credit

If you acquired qualified broadband equipment to use in your Idaho business, you may qualify for the broadband equipment investment credit. You also may claim this credit if you acquired the credit through a transfer.

Credit Allowed. Enter the credit allowed from Form 68, line 16. Include Form 68.

Carryover. Enter the amount of credit carryover to future years from Form 68, line 19.

Line 6 Small Employer Investment Tax Credit

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit, and you've acquired an asset for use in your business that otherwise qualifies for the ITC.

Credit Allowed. Enter the credit allowed from Form 83, line 26. Include Form 83.

Carryover. Enter the amount of credit carryover to future years from Form 83, line 29.

Line 7 Small Employer Real Property Improvement Tax Credit

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit, and you've acquired real property improvements for use in your business at the project site during the project period.

Credit Allowed. Enter the credit allowed from Form 84, line 24. Include Form 84.

Carryover. Enter the amount of credit carryover to future years from Form 84, line 27.

Line 8 Small Employer New Jobs Tax Credit

You can claim this credit if you've certified by filing Form 89SE that you've met or will meet the tax incentive criteria for this credit, and you have qualified new employees at the project site during the project period.

Credit Allowed. Enter the credit allowed from Form 85, line 33. Include Form 85.

Carryover. Enter the amount of credit carryover to future years from Form 85, line 36.

Line 9 Employer Contributions to Employee's Idaho College Savings Account

If you contributed to an employee's Idaho college savings account, you may qualify for the credit for employer contributions to an employee's Idaho college savings account.

Credit Allowed. Enter the credit allowed from Form ID-529, line 17. Include Form ID-529.

Carryover. Enter the amount of credit carryover to future years from Form ID-529, Part III, line 3.

Part II — Tax From Recapture of Income Tax Credits

Line 1 Tax From Recapture of ITC

If you've claimed an ITC on property that no longer qualifies before the end of the five-year recapture period, you must compute the ITC recapture. This includes property moved outside of Idaho.

Enter the amount from Form 49R, Part III, line 15. Include Form 49R.

Line 2 Tax From Recapture of Broadband Equipment Investment Credit

If you've claimed a broadband equipment investment credit on property that no longer qualifies before the end of the five-year recapture period, you must compute the broadband equipment investment credit recapture. This includes property that no longer qualifies for the ITC.

Enter the amount from Form 68R, Part III, line 15. Include Form 68R.

Line 3 Tax From Recapture of Small Employer Investment Tax Credit

If you've claimed a small employer investment tax credit on property that no longer qualifies before the end of the five-year recapture period, you must compute the small employer investment tax credit recapture. This includes property moved outside of Idaho.

You also must compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 83R, Part III, line 15. Include Form 83R.

Line 4 Tax From Recapture of Small Employer Real Property Improvement Tax Credit

If you've claimed a small employer real property improvement tax credit on property that no longer qualifies before the end of the five-year recapture period, you must compute the small employer real property improvement tax credit recapture.

You also must compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 84R, Part III, line 15. Include Form 84R.

Line 5 Tax From Recapture of Small Employer New Jobs Tax Credit

If you've claimed a small employer new jobs tax credit and you didn't maintain the required level of new employees for the entire five-year recapture period, you must compute the small employer new jobs tax credit recapture.

You also must compute recapture if you didn't meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 85R, line 13. Include Form 85R.

Part III — Nonrefundable Credit From a Prior Year Return

If you were denied a refund from an overpayment of tax on a prior year return because of the three-year statute of limitations, you may be eligible to take a credit for that amount. Use this form to calculate the credit and include it with your return.

Claiming a credit on this form is treated as filing a claim for credit in lieu of filing an amended return. The credits claimed in this section can be reviewed as if they were being claimed on an amended return.

Enter the year of the denied refund in the year row and the amount in the nonrefundable credit row. Generally, you have 10 years from the original due date of the tax return to file a claim for credit.

The credit allowed is limited to tax due on a timely filed return or tax due plus penalty and interest on a late filed return.

Report the credit allowed on one of the following forms:

- Form 40, line 53
- Form 43, line 73
- Form 41, line 60
- Form 41S, line 67
- Form 65, line 63
- Form 66, line 32

The remaining credit is the nonrefundable credit amount minus the credit allowed. The remaining credit may be used in subsequent years against tax due.

Contact us:

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