FORM **49** EFO00030 07-15-14

IDAHO INVESTMENT TAX CREDIT

2014

Name(s) as shown on return	Social Security Number or EIN

PART I -- CREDIT AVAILABLE SUBJECT TO LIMITATION

1. a. Amount of qualified investments acquired during the tax year. Include a complete list	1a	
b. Amount of investments for which you claimed the property tax exemption. Include Form 49E	1b	
c. Subtract line 1b from line 1a. This is the amount of qualified investments on which you may earn the investment tax credit	1c	
2. Credit earned. Multiply line 1c by 3%	2	
3. Pass-through share of credit from a partnership, S corporation, estate, or trust:		

a. Pass-through Entity Name	b. Pass-through Entity EIN	c. Pass-through Share of ITC

Total column c	3	
4. Credit received through unitary sharing. Include a schedule	4	
5. Carryover of investment tax credit from prior years. Include Form 49C or other schedule	5	
6. Credit distributed to partners, shareholders, or beneficiaries	6	
7. Credit shared with unitary affiliates	7	
8. Total credit available subject to limitation. Add lines 2 through 5 and subtract lines 6 and 7	8	

PART II -- LIMITATION

1. Enter the Idaho income tax from your return	1	
2. Credit for tax paid to other states	2	
3. Idaho income tax after credit for tax paid to other states. Subtract line 2 from line 1	3	
4. Credit for contributions to Idaho educational entities	4	
5. Tax available after credits. Subtract line 4 from line 3	5	
6. 50% of tax after credit for tax paid to other states. Multiply line 3 by 50%	6	
7. Investment tax credit available. Enter the amount from Part I, line 8	7	
8. Investment tax credit allowed. Enter the smallest amount from lines 5, 6, or 7 here and on Form 44, Part I, line 1	8	

QUALIFYING DEPRECIABLE PROPERTY

Idaho generally follows the definition of qualified property found in the Internal Revenue Code (IRC) Sections 46 and 48 as in effect prior to 1986. The property must have a useful life of three years or more and be property for which you are allowed the deduction for depreciation or amortization in lieu of depreciation. Qualifying property includes the following property used in a trade or business:

- Tangible personal property - machinery and equipment
- Other tangible property - property used as an integral part of manufacturing, production, extraction; or furnishing transportation, communications, or utility services; or research facilities and bulk storage facilities used in connection with those businesses
- Elevators and escalators
- Single purpose agricultural or horticultural structures
- Qualified timber property
- Petroleum storage facilities
- Qualified broadband equipment as approved by the Idaho Public Utilities Commission

NONQUALIFYING PROPERTY

Property that does not qualify includes:

- Buildings and their structural components
- Property used in lodging facilities that rent 50% or more of their lodging units for periods of 30 days or longer, such as apartment houses or rental homes
- The cost of property expensed under IRC Section 179
- Property subject to 60-month amortization
- Used property not acquired by purchase
- The portion of property used for personal use
- Used property in excess of $150,000
- Horses
- Property not used in Idaho
- Vehicles under 8,000 pounds gross weight

Instructions for Idaho Form 49

GENERAL INSTRUCTIONS

Form 49 is used to calculate the investment tax credit (ITC) earned or allowed. Each member of a unitary group of corporations that earns or is allowed the credit must complete a separate Form 49.

Property Used Both In and Outside Idaho
If property is used both in and outside Idaho, compute the qualified investment for all such property using one of the following methods:

1. Percentage-of-Use Method - Multiply the investment in each asset by a fraction where Idaho use is the numerator and total use is the denominator. Usage can be measured by machine hours, mileage, or any other method that accurately reflects the usage.
2. Property Factor Numerator Method - Use the amount correctly included in the Idaho property numerator for each asset.

The amount computed in method #2 will generally be the same as that computed in method #1 unless your business uses the Multistate Tax Commission special industry regulations to compute its factors.

Carryover Periods
Compute the ITC carryover on Form 49C.

- For property acquired after 1989 but prior to tax years beginning in 2000, the credit carryover is limited to seven tax years unless the credit has not been carried over seven tax years before 2000. If the credit has been carried forward less than seven tax years, and is eligible for carryover to tax years beginning on or after 2000, the carryover period is limited to 14 tax years.
- For credit earned in tax years beginning on or after January 1, 2000, the credit carryover is limited to 14 tax years.

For purposes of the carryover period, a short tax year counts as one tax year.

Election to Claim Two-Year Property Tax Exemption and Forgo Investment Tax Credit
If you placed personal property in service that qualifies for the ITC, you may elect to exempt this property from your property tax. You aren't eligible for the election if your rate of charge or rate of return is regulated or limited by federal or state law. The exemption from the property tax is for two years. After the two years, you must pay any applicable property tax. You can't claim the ITC for any property that you elect to exempt from property tax.

The election is available if you had negative Idaho taxable income in the second preceding tax year from the tax year in which the property was placed in service. Negative Idaho taxable income must have been computed without regard to any carryover or carryback of net operating losses.

The election must be made on Form 49E and filed with the operator's statement or personal property declaration. A copy of the election form must be included with the original income tax return(s) for the tax year(s) in which the property was placed in service.

Biofuel Infrastructure Investment Tax Credit
If you placed biofuel infrastructure in service during the tax year and are claiming the biofuel infrastructure investment tax credit, you can't claim the ITC on the same property.

Recapture
You must compute recapture if you sell or otherwise dispose of the property or it ceases to qualify for the ITC before it has been in service for five full years. File Form 49ER if you claimed the property tax exemption. File Form 49R if you claimed the ITC.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

PART I - CREDIT AVAILABLE SUBJECT TO LIMITATION
Line 1a. Include a list of all property you acquired and placed in service during the tax year that qualifies for the ITC. The list should identify each item of property, your basis in the item, and the date placed in service. The basis of qualified property is the Idaho adjusted basis computed without regard to bonus depreciation. Don't include any property on which you are claiming the biofuel infrastructure investment tax credit, or any property you are expensing under IRC Section 179.

Line 1b. Enter the amount of qualified investments for which you claimed the property tax exemption. This exemption is allowed in lieu of earning the ITC. Include applicable Form(s) 49E.

Line 3. Include a list of all ITC that is being passed through by partnerships, S corporations, estates, or trusts in which you have an interest. This amount is reported on Form ID K-1, Part D, line 1. The list should identify each entity by name, EIN, and the amount of ITC that is being passed through.

Line 4. If you are a member of a unitary group, enter the amount of credit you received from another member of the unitary group.

Line 5. Enter the ITC carryover from prior years. The amount is computed on Form 49C or on a separate schedule. Include a copy of Form 49C or the schedule. See General Instructions for the carryover period allowed.

Line 6. If you are a partnership, S corporation, trust, or estate, enter the amount of credit that passed through to partners, shareholders, or beneficiaries.

Line 7. If you are a member of a unitary group, enter the amount of credit you earned that you elect to share with other members of your unitary group. Before you can share your credit, you must use the credit up to the allowable limitation of your tax liability.

Corporations claiming ITC must provide a calculation of the credit earned and used by each member of the combined group. The schedule must clearly identify shared credit and the computation of any credit carryovers.

PART II - LIMITATION
The ITC is limited to 50% of your Idaho income tax after deducting:

- Credit for taxes paid to other states
- Credit for contributions to Idaho educational entities

Line 1. Enter the amount of your Idaho income tax. This is the computed tax before adding the permanent building fund tax or any other taxes, or subtracting any credits.

Line 2. Enter the credit for tax paid to other states from Form 39R or Form 39NR. This credit is available only to individuals, estates, and trusts.

Line 8. Enter the smallest amount from lines 5, 6, or 7. Carry this amount to Form 44, Part I, line 1, and enter it in the Credit Allowed column.