

Names as shown on return

Social Security number or EIN

Part I — Identify Property That No Longer Qualifies as Idaho Investment Tax Credit Property

Properties	Property Description (Include a detailed schedule)
A	
B	
C	
D	
E	

Part II — Original Idaho Investment Tax Credit

	Properties				
	A	B	C	D	E
1. Date property placed in service ...	1				
2. Cost or other basis	2				
3. Credit percentage	3	3%	3%	3%	3%
4. Original credit. Multiply line 2 by line 3	4				
5. Date property ceased to qualify	5				
6. Number of full years between the date on line 1 and the date on line 5	6				

Part III — Computation of Recapture Tax

7. Recapture percentage from table in instructions	7				
8. Tentative recapture tax. Multiply line 4 by line 7	8				
9. Add line 8, columns A through E					9
10. Pass-through share of credit recapture from S corporations, partnerships, trusts, or estates					10
11. Add lines 9 and 10					11
12. Credit recapture distributed to shareholders, partners, or beneficiaries					12
13. Enter the portion of original credit not used to offset any tax. Don't enter more than line 11. This amount is reported on Form 49C and reduces the credit carryover available to the current year					13
14. Add lines 12 and 13					14
15. Tax from recapture of investment tax credit. Subtract line 14 from line 11. Enter here and on Form 44, Part II, line 1. Don't use this amount to reduce the current year's investment tax credit computed on Form 49					15

General Instructions

Use Form 49R to compute the increase in tax and reduction to credit carryover for the recapture of investment tax credit (ITC). You must recompute the credit if you earned it in an earlier year but disposed of the property before the end of the five-year recapture period. You must also recompute the credit on any property that no longer qualifies as ITC property. Property moved from Idaho within the first five years no longer qualifies as ITC property and is subject to recapture.

Recapture may be necessary when:

- An S corporation shareholder’s interest is reduced by a sale, redemption, or other disposition of the shareholder’s stock, or when the corporation issues more shares.
- A partner’s proportionate interest in the general profits of the partnership (or in a particular item of property) is reduced.
- A trust’s, estate’s, or beneficiary’s proportionate interest in the income of the trust or estate is reduced.

S corporations, partnerships, trusts, and estates that pass ITC through to the shareholders, partners, or beneficiaries must provide Form ID K-1 to report the recapture amount and include in Part XII, Supplemental Information, details on the years the credit being recaptured was originally earned.

Add any tax owed from recapture of credits claimed in prior years to the tax determined in the year of recapture. Recapture of credits not claimed in prior years reduces the amount of credit carryover available to the current year.

Specific Instructions

Instructions are for lines not fully explained on the form.

Part I — Identify Property That No Longer Qualifies as Idaho Investment Tax Credit Property

Lines A through E. Describe the property you must recompute ITC on. Fill in lines 1 through 8 in Parts II and III for each property you’re recomputing the credit on. Use a separate column for each item. If you have ITC recapture on more than five items, use an additional Form 49R or other schedule with the same information as required on Form 49R.

Part II — Original Idaho Investment Tax Credit

S corporations, partnerships, trusts, and estates that have credit subject to recapture must complete lines 1 through 9 to determine the amount of credit recapture.

Shareholders, partners, and beneficiaries use the information provided by the S corporation, partnership, trust, or estate to report their pass-through share of the credit to be recaptured on line 10. If the only recapture you’re reporting is from a pass-through entity, skip lines 1 through 9 and begin on line 10.

Line 1. Enter the month, day and year that the property was first available for service.

Line 2. Enter the cost or other basis of the property used to compute the original investment tax credit.

Line 4. Multiply line 2 by line 3 to compute the credit originally earned for each property listed.

Line 5. Enter the month, day, and year the property no longer qualified as ITC property.

Line 6. Don’t enter partial years. If the property was held less than 12 months, enter zero.

Part III — Computation of Recapture Tax

Line 7. Enter the appropriate recapture percentage from the following table.

If the number of full years on Form 49R, line 6 is ...	Then the recapture percentage is...
0	100
1	80
2	60
3	40
4	20
5 or more	0

Line 9. Add all amounts on line 8. If you’ve used more than one Form 49R or separate sheets to list additional items you computed recapture on, write to the left of the entry space “tax from attached” and the total tax from the separate sheets. Include the amount in the total for line 9.

Line 10. Enter the amount of ITC recapture passed through to you from S corporations, partnerships, trusts, and estates. This amount is reported on Form ID K-1, Part X, line 61 or Form ID K-1, Part XI, line 74 (ABE).

Include on this line any recapture that's necessary because of:

- A reduction of a shareholder's proportionate stock interest in an S corporation, or
- A reduction in the interest in the general profits of a partnership, or
- A reduction in the proportionate interest in the income of a trust or estate

Line 11. Add lines 9 and 10 to determine the amount of credit subject to recapture.

Line 12. If you're an S corporation, partnership, trust, or estate, enter the amount of credit recapture that passed through to shareholders, partners, or beneficiaries. Don't include any recapture on this line for shareholders, partners, or beneficiaries you're paying the tax for on a composite return.

Line 13. If you didn't use all of the credit you originally computed either in the year earned or in a carryover year, you won't have to pay tax from recapture of the amount of the credit you didn't use.

Compute the unused portion of the original credit from Form 49R, line 4, or that was passed through to you from an S corporation, partnership, trust, or estate on a separate sheet and enter the amount on this line. Don't enter more than the tax from recapture on line 11.

Line 15. This is the total increase in tax. Enter it on this line and on Form 44, Part II, line 1. **Don't** use this amount to reduce your current year's ITC from Form 49.

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660
Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact