

# RECAPTURE OF IDAHO INVESTMENT TAX CREDIT

Name(s) as shown on return	Social Security number or EIN
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**PART I -- IDENTIFY PROPERTY THAT CEASED TO QUALIFY 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 .....					
2. Cost or other basis .....					
3. Credit percentage .....	3%	3%	3%	3%	3%
4. Original credit. Multiply line 2 by line 3 .....					
5. Date property ceased to qualify .....					
6. Number of full years between the date on line 1 and the date on line 5 .....					

**PART III -- COMPUTATION OF RECAPTURE TAX**

7. Recapture percentage from table in instructions .....					
8. Tentative recapture tax. Multiply line 4 by line 7 .....					
9. Add line 8, columns A through E .....					
10. Pass-through share of credit recapture from S corporations, partnerships, trusts, or estates .....					
11. Add lines 9 and 10 .....					
12. Credit recapture distributed to shareholders, partners, or beneficiaries .....					
13. Enter the portion of original credit not used to offset any tax. Don't enter more than line 11. The amount on this line reduces the credit carryover available to the current year .....					
14. Add lines 12 and 13 .....					
15. 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 .....					

# Instructions for Idaho Form 49R

## 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 ceasing to qualify as ITC property. Property moved from Idaho within the first five years ceases to qualify 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 by the corporation's issuance of 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 through ITC to the shareholders, partners, or beneficiaries must provide Form ID K-1 reporting the recapture amount and including in Part E, Supplemental Information, details on the year(s) the credit being recaptured was originally earned.

Any resulting tax from recapture of credits claimed in prior years must be added to the tax otherwise 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

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

### PART II

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 will 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 ceased to qualify as ITC property.

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

### PART III

**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 have used more than one Form 49R or separate sheets to list additional items on which you computed recapture tax, 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 recapture of ITC that's being passed to you from S corporations, partnerships, trusts, and estates. This amount is reported on Form ID K-1, Part D, line 12.

If recapture is necessary due to a reduction of a shareholder's proportionate stock interest in an S corporation, reduction in the interest in the general profits of a partnership, or reduction in the proportionate interest in the income of a trust or estate, include that recapture on line 10 as well.

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

**Line 12.** If you are 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 for whom you are paying the tax.

**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.