

- If you're filing Form 43, complete this Form 39NR.
- If you're filing Form 40, complete Form 39R.

Part A — Additions

Line 1 Non-Idaho State and Local Bond Interest and Dividends

Column A: Enter the amount of interest and dividends, minus related expenses, that you received from municipal bonds of other state governments, their counties, and their cities, or from obligations of any foreign country. This isn't income you report on your federal return. Include any amount passed through to you from Form ID K-1, Part IV, Column A, line 21.

Column B: Enter the amount in Column A earned while an Idaho resident or part-year resident. This includes your apportioned share passed through from S corporations, partnerships, trusts, and estates from Form ID K-1, Part IV, Column B, line 21.

If Idaho requires you to file a return, you must report any amounts allocated or apportioned to Idaho.

Line 2 Idaho College Savings Account Withdrawal

Column A: If you made a nonqualified withdrawal from an Idaho college savings account (IDeal), enter the amount withdrawn minus any amounts reported on your federal Form 1040 or 1040-SR.

Include withdrawals from Idaho college savings programs you transferred to a qualified program that another state operates, or to a qualified Achieving a Better Life Experience (ABLE) program. The amount added back is limited to your contributions deducted in the year of transfer and the previous tax year.

Column B: If you made a nonqualified withdrawal from an Idaho college savings account, enter the total amount withdrawn.

Line 3 Bonus Depreciation

If you claimed bonus depreciation for federal purposes for property acquired before 2008 or after 2009

OR

If you claimed bonus depreciation for qualified production property which construction begins after January 19, 2025, and before January 1, 2029, and

the property was placed in service before January 1, 2031:

- Complete a separate federal Form 4562 or detailed calculation for Idaho depreciation purposes as if you hadn't claimed the special depreciation allowance.
- Calculate the Idaho adjusted basis and any gains or losses from the sale or exchange of the property using the Idaho depreciation amounts.
- If the federal depreciation (including gains and losses) is more than the Idaho depreciation (including Idaho gains and losses), include the difference on this line; otherwise, enter the difference on Part B, line 24.

Include on this line your distributive share of bonus depreciation from Form ID K-1, Part IV, line 22.

Don't enter any amounts for property acquired during 2008 and 2009.

Column A: If the federal depreciation is more than the depreciation calculated without the bonus depreciation, include the difference on this line.

If you're a shareholder of an S corporation or a partner in a partnership that has Idaho source income, include your distributive share of bonus depreciation from Form ID K-1, Part IV, Column A, line 22.

Column B: If the federal depreciation is more than the depreciation calculated without the bonus depreciation, include the difference on this line.

Enter on this line your apportioned share of bonus depreciation from Form ID-K-1, Part IV, Column B, line 22. You must include this amount as part of your Idaho Adjusted Gross Income on Form 43, line 27.

Check the box and include Form DBDA if you have a current-year loss limitation for the following:

- At Risk (IRC Section 465)
- Passive Loss (IRC Section 469)
- Partnership Basis (IRC Section 704(d))
- Shareholder Basis (IRC Section 1366(d))

Line 4 Other Additions

Complete this worksheet using the instructions below to determine your other additions.

	Column A	Column B
1. Federal net operating loss	_____	_____

2. Capital loss carryforward	_____	_____
3. Retirement plan lump-sum distributions	_____	_____
4. Partner and shareholder Idaho additions	_____	_____
5. Idaho medical savings account withdrawals	_____	_____
6. Non-Idaho passive losses incurred before you were an Idaho resident	_____	_____
7. First-time home buyer savings account withdrawals	_____	_____
8. Metal Bullion Capital Loss	_____	_____
9. Total. Add lines 1 through 8	_____	_____

Federal Net Operating Loss (NOL)

Column A: Enter the NOL carryforward or carryback included on your federal return. The federal NOL carryforward or carryback isn't the same as Idaho's. You report the Idaho NOL on Part B, line 1.

Column B: Leave Column B blank.

Capital Loss Carryforward

Column A: Enter any capital losses included on federal Form 1040 or 1040-SR, line 7 that you incurred in another state or capital losses from activities that Idaho doesn't tax.

See the Capital Gain or Loss Adjustment Worksheet on page 27 to calculate your Idaho capital gain (loss) and required addition, if necessary.

Column B: Leave Column B blank.

Retirement Plan Lump-sum Distributions

Column A: Enter the taxable amount of a lump-sum distribution from a retirement plan reported on federal Form 4972. The amount that Idaho taxes includes the ordinary income portion and the amount eligible for the federal capital gain election.

Column B: Enter any amount in Column A received while an Idaho resident.

Partner and Shareholder Idaho Additions

Column A: Include on this line the additions from Form ID K-1, Part IV, Column A, lines 20 and 23.

Column B: Include on this line your apportioned share of the additions from Form ID K-1, Part IV, Column B, lines 20 and 23.

Idaho Medical Savings Account Withdrawals

Columns A and B: Idaho taxes withdrawals from an Idaho medical savings account that you don't use to pay eligible medical expenses. Report this amount as an other addition. Eligible medical expenses include:

- Medical care
- Vision care
- Dental care
- Medical insurance premiums
- Long-term care expenses

A penalty applies to taxable withdrawals you make when you're under age 59 1/2. The penalty is 10% of the amount withdrawn. Report the penalty on Form 43, line 72, and check the box for an unqualified withdrawal.

First-time Home Buyer Savings Account

Nonresidents don't qualify for this deduction.

Columns A and B: Idaho taxes withdrawals from an Idaho first-time home buyer savings account that you don't use to pay eligible home costs. Report this amount as an other addition. Eligible home costs include:

- Down payment for the purchase of an Idaho home
- Cost, fees, taxes, or payments for the purchase of an Idaho home

Metal Bullion Capital Loss

Column A: Enter the capital loss from the sale of precious metal or monetized bullion (Idaho Code section 63-3622V) included in federal adjusted gross income.

Column B: Enter the capital loss from the sale of precious metal or monetized bullion (Idaho Code section 63-3622V) included in total income on Idaho Form 43.

Part B — Subtractions

Line 1 Idaho Net Operating Loss (NOL) Carryover and Carryback

Columns A and B: Enter the Idaho NOL carryover. Include Form 56 or a schedule showing the application of the loss. Don't include losses from sources that Idaho doesn't tax or that you incurred before becoming a resident or part-year resident.

If this is an amended return to claim an NOL carryback, enter the amount of the NOL carryback. Include Form 56 or a schedule showing the application of the loss.

Enter the total of the NOL carryover and carryback amounts.

Line 2 State Income Tax Refund

Column A: Enter all state income tax refunds included on federal Schedule 1, line 1.

Column B: Enter state income tax refunds and state tax rebates for Idaho service members included on Idaho Form 43, line 19.

Line 3 Interest from U.S. Government Obligations

Idaho doesn't tax interest income received from U.S. government obligations. See page 29 for examples of U.S. government obligations.

Idaho taxes interest income received from the Federal National Mortgage Association (FNMA) and the Government National Mortgage Association (GNMA).

If you have interest income from a mutual fund that invests in both nonexempt securities and exempt U.S. government securities, you can deduct the portion of the interest earned that's attributable to direct U.S. government obligations. The mutual fund must identify this amount for it to be deductible.

Column A: Enter the interest income you received from U.S. government obligations if you included it on federal Form 1040 or 1040-SR, line 2b. You should have already included on federal Form 1040 or 1040-SR your distributive share (Form ID K-1, Part IV, Column A, line 25), net of expenses related to the federal obligations.

Column B: Enter on this line the interest and related expenses included as part of Form 43, line 27. This includes your apportioned share of interest from Form ID K-1, Part IV, Column B, line 25 minus expenses relating to U.S. interest.

Line 4 Child and Dependent Care

If you claimed the federal Child and Dependent Care Credit, you're allowed an Idaho deduction for the child care expenses you paid for the care of your dependents. The Idaho deduction is a different amount than the federal credit.

Complete this worksheet to determine your Idaho deduction. See federal Form 2441 to determine amounts to enter on lines 1 through 6.

Worksheet

1. Enter the amount of qualified expenses you incurred and paid in 2025. Don't include amounts that your employer paid or that you already excluded from taxable income. _____
2. Enter \$12,000 for one or more children or dependents cared for during the year. _____
3. Enter excluded benefits from Form 2441, Part III, line 25 _____
4. Subtract line 3 from line 2. If zero or less, stop. You can't claim the deduction _____
5. Enter your earned income _____
6. If married filing a joint return, enter your spouse's earned income. All others enter the amount from line 5 _____
7. Enter the smallest of lines 1, 4, 5, or 6 here and on Form 39NR, Part B, line 4, Column A _____
8. If married filing a joint return, enter the total of lines 5 and 6 that are from Idaho sources. All others enter the amount from line 5 that's from Idaho sources _____
9. If married filing a joint return, enter the total of lines 5 and 6. All others enter the amount from line 5 _____
10. Divide line 8 by line 9. (Can't exceed 100%) %
11. Multiply line 7 by line 10. Enter this amount here and on Form 39NR, Part B, line 4, Column B _____

Include federal Form 2441, Child and Dependent Care Expenses, with your return.

Line 5 Social Security and Railroad Benefits

Idaho doesn't tax Social Security or Social Security equivalent benefits, benefits that the Railroad Retirement Board pays, or Canadian Social Security benefits (OAS, QPP, or CPP) that are taxable on your federal return.

Exempt payments from the Railroad Retirement Board include:

- Retirement, supplemental, and disability annuities
- Unemployment and sickness benefits

Column A: Enter the taxable amount of:

- Social Security benefits from Form SSA-1099.
- Social Security equivalent railroad benefits from

Form RRB-1099 included on your federal Form 1040 or 1040-SR, line 6b.

Don't enter the amount reported on Form 1040 or 1040-SR, line 6a.

Enter the taxable amount of non-Social Security equivalent railroad benefits from Form RRB-1099R included on your federal Form 1040 or 1040-SR, line 5b. Don't enter the amount from Form 1040 or 1040-SR, line 5a.

If subtracting benefits from the Railroad Retirement Board, you must include Form RRB-1099 or RRB-1099-R with your return.

Until you reach the minimum retirement age, you must treat a disability pension from the federal Railroad Retirement Act as wages. Include the pension amount on Form 1040 or 1040-SR, line 1.

Column B: Enter Social Security and railroad benefits included on Idaho Form 43, line 19.

Line 6 Idaho Capital Gains Deduction

Columns A and B: If you had capital gain net income from the sale of any of the qualified Idaho property described below, you might be able to deduct 60% of the capital gain net income reported on federal Schedule D. The property must be one of these:

- Real property held for at least 12 months.
- Tangible personal property used in a revenue-producing enterprise and held for at least 12 months. See page 32 for the definition of a revenue-producing enterprise.
- Cattle and horses held for at least 24 months and other livestock used for breeding held for at least 12 months.
- Timber held for at least 24 months.
- Certain sales of partnership interests. See Idaho Code 63-3022H(3)(f) for more information.

Note: Gains from the sale of stocks, goodwill, and other intangibles don't qualify.

Complete Idaho Form CG to calculate your capital gains deduction.

Line 7 Idaho Resident-Military Pay Earned Outside of Idaho

Column A and B: If you're serving in the United States military on active duty that's continuous and uninterrupted for 120 days, Idaho doesn't tax your active-duty military wages for service outside of Idaho. The continuous 120 days don't have to be in the same tax year. This deduction applies to

Idaho part-year residents who report military wages earned outside Idaho as Idaho income on Form 43, line 7.

Enter the amount of wages in Columns A and B if included on Form 43, line 7. Don't include military wages earned while stationed in Idaho. Your W-2 doesn't show this amount separately, and you might have to calculate the amount of income earned outside of Idaho. See your unit of assignment or use your orders to make the calculation. Include a copy of your worksheet.

National Guard or Reserve pay, including annual training pay, doesn't qualify as active duty pay unless you've been called into full-time duty for 120 days or more. However, your active-duty military wages earned outside Idaho qualify for this deduction if **both** of these are true:

- You're a commissioned officer of the Public Health Service or of the National Oceanic and Atmospheric Administration militarized by the President of the United States.
- You're attached to the armed forces.

If this is true, enter your active-duty wages earned outside Idaho on this line.

Line 8 Idaho Medical Savings Account Contributions and Interest

Columns A and B: You can contribute up to \$10,000 (\$20,000 if married filing a joint return) to an Idaho medical savings account and deduct the contribution. You **can't** deduct:

- Reimbursements redeposited into your Idaho medical savings account.
- Amounts deducted on federal Form 1040 or 1040-SR.

An Idaho medical savings account generally is established with a bank, savings and loan, or credit union. You establish the account to pay the eligible medical expenses for you as the account holder and your dependents.

On this line include:

- Your qualifying contributions.
- Interest earned on the account, but only if it's on Form 43, line 8.

Line 9 Idaho College Savings Program

You can deduct up to \$6,000 (\$12,000 if married filing a joint return) per year in contributions to accounts in the Idaho College Savings Program (IDeal).

Contributions to an out-of-state college savings program don't qualify.

Designate the account owner and beneficiary at the time you establish the account. The account owner can make withdrawals for qualified education expenses of a beneficiary as provided in 26 U.S.C. section 529. Whoever withdraws the money must report it as income. Find more information at idsaves.org or by calling (866) 433-2533.

Line 10 Adoption Expenses

Column A: You can deduct some expenses related to the adoption of a child.

- You can claim legal and medical expenses up to a maximum of \$10,000 per adoption.
- If you incur expenses in two or more years, deduct the costs in the year paid until you meet the \$10,000 limit.

Travel expenses don't qualify.

Expenses related to an unsuccessful attempt to adopt don't qualify. If you claim expenses in a year before you find the adoption won't succeed, file an amended return to add back any deduction claimed for the unsuccessful attempt.

Column B: Complete the following worksheet.

1. Total Idaho income from Form 43, line 20	_____
2. Total income from federal Form 1040 or 1040-SR, line 9	_____
3. Divide line 1 by line 2. (Can't exceed 100%)	_____ %
4. Total adoption expenses from line 10, Column A	_____
5. Multiply line 4 by line 3. Enter this amount on line 10, Column B	_____

Line 11

You might qualify for a deduction if you maintain a household for a family member who's over 65 or developmentally disabled.

A family member is any person who meets the relationship test to be claimed as a dependent on income tax returns. See federal Form 1040 instructions for more information.

Maintaining a household means paying more than one-half of the expenses incurred for the benefit of all the household's occupants. Social Security benefits aren't support that you provide, but you must include them in the calculation of total

support provided. Some examples of expenses of maintaining a household include:

- Property taxes
- Mortgage interest
- Rent
- Utility charges
- Upkeep and repairs
- Property insurance
- Food consumed on the premises

If you maintained the home for the family member for less than a full year, you can take a deduction of \$83.33 for each month you maintained the home.

You can claim no more than three deductions of \$1,000. If you claim this deduction, you can't claim the \$100 credit in Part F.

The amounts entered in Columns A and B must be the same.

Home for the Aged

Columns A and B: You can deduct \$1,000 for each family member age 65 or older (*not including* yourself or your spouse) for whom you do **both** of these:

- Maintain a household for
- Provide more than one-half of that family member's support for the year

Developmentally Disabled

You can deduct \$1,000 for each family member, *including* yourself and your spouse, for whom you do **both** of these:

- Maintain a household for
- Provide more than one-half of this family member's support for the year

See page 33 for the definition of developmental disability.

Line 12 Idaho Lottery Winnings

Columns A and B: Enter the amount of Idaho lottery prizes of less than \$600 per prize included in other income on Form 43, line 19. The amounts entered in Columns A and B must be the same.

Line 13 Income an American Indian earned on a Reservation

Column B: You can deduct all your income from working on a reservation only when you meet **all** these criteria:

- You're enrolled in a federally recognized tribe.
- You live and work on a reservation.

- The earned income is included on Form 43, line 7 of your tax return.

You **can't** deduct either of these:

- Income earned off a reservation.
- Income earned on a reservation, if you live off a reservation.

Line 14 Workers' Compensation Insurance

Columns A and B: If you're self-employed, you can deduct the amount paid for your own workers' compensation insurance coverage in Idaho, if you didn't deduct it elsewhere.

Don't enter amounts paid for coverage in other states. The amounts entered in Columns A and B must be the same.

Line 15 Pass-through Subtractions

Column A: Include the amount of other subtractions included on Form ID K-1, Part IV, Column A, line 28.

Column B: Enter your Idaho apportioned share of the Idaho subtractions from Form ID K-1, Part IV, Column B, line 28.

Line 16 Energy Efficiency Upgrades

Columns A and B: To qualify for this deduction, your Idaho residence must:

- Have existed, been under construction, or had a building permit issued on or before January 1, 2002
- Be your primary residence

Energy efficiency upgrade means an energy efficiency improvement to your residence's envelope or duct system that meets or exceeds the minimum value for the improved component established by the version of the International Energy Conservation Code (IECC) in effect in Idaho during the tax year when you made the improvement. Contact the Idaho Division of Occupational and Professional Licenses at dopl.idaho.gov for more information.

See page 29 for more on energy efficiency upgrades.

The amount charged for labor to install the energy efficiency upgrades is also deductible.

Enter the energy efficiency upgrade installed in your Idaho residence. If you have more than one upgrade, enter multiple. Enter the total amount on line 16.

Line 17 Technological Equipment Donation

Columns A and B: Enter the lesser of cost or fair

market value of technological equipment donated to one or more of the following Idaho educational institutions or libraries located in Idaho:

- Public or nonprofit private elementary, or secondary school
- Public or nonprofit private college or university
- Public library or library district

Items that qualify for this deduction are limited to computers, computer software and scientific equipment or apparatus manufactured within five years of the date of donation. The amount deducted can't reduce Idaho taxable income to less than zero. You can't carry any unused deduction to another year.

Columns A and B: Include your distributive share from the appropriate column of Form ID K-1, Part IV, line 26. The deduction from a pass-through entity can't be more than the amount of pass-through income minus deductions of the entity making the contribution.

Line 18 Health Insurance Premiums

Column A: Deduct premiums you paid for health insurance for yourself, your spouse, and your dependents if those premiums haven't already been deducted or excluded from your income.

If you claimed a deduction for health insurance premiums on your federal Form 1040 or 1040-SR, Schedule A, use the worksheet on page 46 to calculate the Idaho deduction. The worksheet follows the priority that itemized deductions first apply to health insurance premiums and then to long-term care insurance.

Idaho Medical Savings Account

You can't take the deduction for money you take from your Idaho medical savings account to pay health insurance premiums. This is because you've already deducted health insurance costs, or they've already been accounted for.

Salary Reduction Plans

You can't include premiums paid through a cafeteria plan or other salary-reduction arrangement in the Idaho deduction for health insurance costs. For example, health insurance payments deducted from your paycheck pretax don't qualify for the deduction.

Business Deductions

You can't include in this Idaho deduction the premiums you already deducted as a business expense. This includes self-employed health

insurance premiums deducted in arriving at federal adjusted gross income.

Social Security Medicare A, B, and D

Medicare A:

- Generally, you can't deduct the amount paid for employer-required Social Security Medicare A. This is the amount listed as a deduction on almost every federal Form W-2.
- You can deduct premiums for Medicare A if you voluntarily enrolled, or if you aren't covered under Social Security.

Medicare B and D:

- You can deduct the premiums for Medicare B, D, or both if you voluntarily enrolled.

Idaho Standard Deduction

If you took the standard deduction instead of itemizing on your *Idaho* return, you don't have to reduce your health insurance costs by any amount claimed as a federal itemized deduction.

Federal Itemized Deduction Limitations.

The following worksheets calculate your health insurance and long-term care insurance premium subtractions for Idaho purposes.

If you aren't itemizing deductions for Idaho, skip lines 1-6 and enter zeros on lines 8, 12, and 13.

Health Insurance and Long-term Care Insurance Deduction Limitations

1. Amount claimed for health insurance costs on federal Form 1040 or 1040-SR, Schedule A _____
2. Amount claimed for long-term care insurance on federal Form 1040 or 1040-SR, Schedule A _____
3. Additional medical expenses claimed on federal Form 1040 or 1040-SR, Schedule A _____
4. Total medical expenses. Add lines 1, 2 and 3 _____
5. Enter 7.5% of federal adjusted gross income _____
6. Medical expense deduction allowed on federal Form 1040 or 1040-SR, Schedule A. (Subtract line 5 from line 4. If less than zero, enter zero.) _____

Health Insurance

7. Enter the total paid for health insurance _____

8. Portion of health insurance deduction allowed on federal Form 1040 or 1040-SR, Schedule A. Enter the lesser of lines 1 or 6 _____
9. Enter the total health insurance costs deducted elsewhere on the federal return _____
10. Idaho health insurance deduction allowed. Subtract lines 8 and 9 from line 7. Enter this amount on Form 39NR, line 18, Column A _____

Long-term Care Insurance

11. Enter the total paid for long-term care insurance _____
12. Medical expense deduction not allocated to health insurance costs. Subtract line 1 from line 6. If less than zero, enter zero _____
13. Portion of long-term care insurance deduction allowed on federal Form 1040 or 1040-SR, Schedule A. Enter the lesser of lines 2 or 12 _____
14. Enter the total long-term care insurance costs deducted elsewhere on the federal return _____
15. Long-term care insurance deduction allowed. Subtract lines 13 and 14 from line 11. Enter the amount on Form 39NR, line 19, Column A _____

Column B: You'll enter the amount from line 5 below.

1. Total Idaho income from Form 43, line 20 _____
2. Total income from federal Form 1040 or 1040-SR, line 9 _____
3. Divide line 1 by line 2. (Can't exceed 100%) _____ %
4. Enter the amount from Form 39NR, line 18, Column A _____
5. Allowable Idaho deduction. Multiply line 4 by line 3 _____

Line 19 Long-term Care Insurance Premiums

Column A: You can deduct premiums you paid for qualified long-term care insurance that you haven't otherwise deducted or accounted for.

Qualified long-term care insurance includes any insurance policy that provides coverage for at least 12 consecutive months for yourself, your spouse, or your dependents for one or more necessary diagnostic,

preventive, therapeutic, rehabilitative, maintenance, or personal care services provided in a setting other than an acute care unit of a hospital.

Group and individual annuities and life insurance policies that directly provide or that supplement long-term care insurance qualify. This includes a policy that provides for payment of benefits based on cognitive impairment or loss of functional capacity.

Qualified long-term care insurance doesn't include any insurance policy that's offered primarily to provide coverage for:

- Basic Medicare supplement
- Basic hospital expense
- Basic medical surgical expense
- Hospital confinement indemnity
- Major medical expense
- Disability income or related asset protection
- Accident only
- Specified disease or specified accident
- Limited benefit health

Life insurance policies that accelerate death benefits generally don't qualify.

If you claimed a deduction for long-term care insurance on your federal Form 1040 or 1040-SR, Schedule A as an itemized deduction, calculate the long-term care insurance allowed as a deduction by using the worksheet on the previous page.

Column B: You'll enter the amount from line 5 below.

1. Total Idaho income from Form 43, line 20 _____
2. Total income from federal Form 1040 or 1040-SR, line 9 _____
3. Divide line 1 by line 2.
(Can't exceed 100%) %
4. Enter the amount from Form 39NR, line 19, Column A _____
5. Allowable Idaho deduction. Multiply line 4 by line 3 _____

Line 20 Alternative Energy Device Deduction

Columns A and B: If you install an alternative energy device in your Idaho residence, you can deduct a portion of the amount actually paid or accrued (billed but not paid).

In the year the device is placed in service, you can deduct 40% of the cost to construct, reconstruct, remodel, install, or acquire the device, but not more than \$5,000.

In the three years after installation, you can deduct 20% of these costs per year, but not more than \$5,000 in any year.

Qualifying devices include:

- A system using solar radiation, wind, or geothermal resource primarily to provide heating or cooling or produce electrical power or any combination thereof.
- A fluid-to-air heat pump operating on a fluid reservoir that solar radiation or a geothermal resource heats. An air-to-air heat pump doesn't qualify unless it uses geothermal resources as part of the system.
- An Environmental Protection Agency (EPA)-certified wood stove or pellet stove meeting current industry and state standards that replaces a noncertified wood stove.

A noncertified wood stove is one that doesn't meet the most current EPA standards. You must take the noncertified wood stove to a site that the Idaho Division of Environmental Quality (DEQ) authorizes within 30 days from the date of purchasing the qualifying device. The DEQ will give you a receipt to verify it received and destroyed the noncertified wood stove.

You must install the natural gas or propane heating unit or the EPA-certified wood stove or pellet stove the same tax year that you surrender the nonqualifying wood stove to the DEQ.

Lines 20a – 20d

Complete the lines that apply to the year you acquired the device. For example, if you acquired the device in 2022, complete line 20d. Enter the device type and total cost. Multiply the total cost by the appropriate percentage. Line 20e can't be more than \$5,000.

Line 22 Retirement Benefits Deduction

You might be able to deduct some of the qualifying retirement benefits and annuities you receive.

Line 22a. The maximum amounts you can deduct for 2025 are:

- Single \$48,216
- Married filing jointly \$72,324

The retirement benefits you and your spouse received under the federal Social Security Act and the federal Railroad Retirement Act further reduce these maximum amounts. The amount deducted can't be more than the amount of qualified benefits included in federal income.

Line 22b. Enter the amount of retirement benefits you and your spouse received under the Federal Railroad Retirement Act.

Include **all** of these on this line:

- The net Social Security equivalent benefit portion from federal Form RRB-1099, Box 5.
- The amount from federal Form RRB-1099-R, Box 7 (total gross paid), minus any amount in Box 8 (repayments).
- Any railroad retirement disability benefit included as wages on federal Form 1040 or 1040-SR, line 1.

Line 22c. Enter the amount of retirement benefits you (and your spouse) received under the Federal Social Security Act, Box 5 of your Form SSA-1099s. If you or your spouse received Canadian Social Security benefits that you included in your federal taxable income, also include those amounts.

Line 22e. The Idaho Retirement Benefits Deduction for **Retired Service Members**. You must meet **at least one** of the following:

- Classified as disabled (any age), or
- Age 62 or older, or
- Under age 62, employed during the year, and received sufficient income from such employment to be required to file a federal return.

The Idaho Retirement Benefits Deduction for **all other retirees** has a two-part qualification. You must qualify for **both parts** to receive this deduction.

Part One – Age, Disability, and Marital/Filing Status

The recipients must be at least age 65 **or** be classified as disabled and be at least age 62.

The following individuals are classified as disabled:

- An individual recognized as disabled by the Social Security Administration, the Railroad Retirement Board, or the Office of Management and Budget.
- A veteran of a U.S. war with a service-connected disability rating of 10% or more.
- A veteran of a U.S. war with a nonservice-connected disability pension.
- A person who has a physician-certified permanent disability with no expectation of improvement.

If you're married, you can't claim this deduction if you file separately.

If you're an unremarried widow or widower of a pensioner and receive qualifying survivor benefits, you might be eligible to claim the retirement benefit deduction if you meet the age/disability requirements.

Part Two – Qualified Retirement Benefits

The recipients must meet the requirements in Part One, **and** their qualified retirement benefits must be one of the following:

- **Civil Service Employees:** Retirement annuities paid by the U.S. Civil Service Retirement System (CSRS), the Foreign Service Retirement and Disability System (FSRDS), or the offset programs of these two systems.
 - To qualify for the deduction, the employee must have established eligibility before 1984.
 - Retirement annuities paid to a retired federal employee under the Federal Employees Retirement System (FERS) **don't** qualify for the deduction.

You can tell if your benefits are paid under the CSRS or FERS by looking at the first digit of the account number on your CSA-1099, if you received one.

- If the first digit is 0, 1, 2, 3, or 4, the benefits are paid out of CSRS.
 - If the first digit is 7 or 9, the benefits are paid out of FERS and don't qualify.
 - If the first digit is 8, look at your Notice of Annuity Adjustment from the Office of Personnel Management. The notice shows how much of your benefits are paid from CSRS and how much are paid from FERS. Only the portion paid from CSRS qualifies for this deduction.
- **Idaho Firefighters:** Retirement benefits paid by the Public Employee Retirement System of Idaho (PERSI) relating to the Firefighter Retirement Fund.

If you received a 1099R and your account number includes the FRF (Firefighter Retirement Fund) designation, you can include those benefits in your deduction calculation. Benefits paid out of the PERSI Base Plan don't qualify for the deduction.

- **Police Officers of an Idaho City:** Retirement benefits paid from the Police Retirement Fund that no longer admits new members and, on January 1, 2012, that an Idaho city or PERSI

administered. Also, benefits that PERSI paid relating to Idaho police officer employment not included in the federal Social Security retirement system. For example, benefits paid out of the city police retirement funds for the cities of Coeur d’Alene, Lewiston, and Pocatello might qualify for the deduction. Similarly, benefits that PERSI paid relating to the old Idaho Falls Police Retirement Fund might qualify for the deduction. If you received a 1099R and your account number includes the IFP (Idaho Falls Police) designation, you can include those benefits in your deduction calculation. Benefits paid out of the PERSI Base Plan don’t qualify for the deduction.

Disability pension that the federal Railroad Retirement Act paid might not be included on your Form RRB-1099 or RRB-1099-R, if you’re under the minimum retirement age. Instead it might be included on Form 1040 or 1040-SR, line 1 as wages.

Line 22g. Enter the amount of qualified retirement benefits included in Idaho gross income. You must have included this amount on Form 43, line 28, Column B.

Line 22h. Divide line 22g, Column B, by line 22e, Column A. Round the percentage to the nearest whole number. For example, you’d enter 45.49% as 45%. You’d enter 45.50% as 46%.

Include with your return Form 1099s for all qualified retirement benefits claimed.

Line 23 Nonresident Military Pay

Column A: If you’re a nonresident of Idaho, enter the amount of military pay included on Form 43, line 28, Column A.

Line 24 Bonus Depreciation

If you claimed the bonus depreciation for federal purposes for property acquired before 2008 or after 2009

OR

If you claimed bonus depreciation for qualified production property which construction begins after January 19, 2025, and before January 1, 2029, and the property was placed in service before January 1, 2031:

- Complete a separate federal Form 4562 or detailed calculation for Idaho depreciation purposes as if you hadn’t claimed the special depreciation allowance.

- Calculate the Idaho adjusted basis and any gains or losses from the sale or exchange of the property using the Idaho depreciation amounts.
- If the federal depreciation (including gains and losses) is less than the Idaho depreciation (including gains and losses), include the difference on this line; otherwise, enter the difference on Part A, line 3.

Include the federal Form 4562s or detailed calculations for the depreciation and gains and losses.

Don’t enter any amounts for property acquired during 2008 and 2009.

Column A: If the federal depreciation (including gains and losses) is less than the depreciation (including gains and losses) calculated without the bonus depreciation, include the difference on this line.

If you’re a shareholder in an S corporation or a partner in a partnership that has Idaho-source income, include your distributive share of bonus depreciation from Form ID K-1, Part IV, Column A, line 27.

Column B: If the federal depreciation (including gains and losses) is less than the Idaho depreciation (including Idaho gains and losses), include the difference on this line.

Enter on this line your apportioned share of bonus depreciation from Form ID K-1, Part IV, Column B, line 27. The amount must be included as part of Form 43, line 27, Idaho Adjusted Gross Income.

Line 25 First-time Home Buyer Savings Account Contributions and Interest

Nonresidents don’t qualify for this deduction.

You can contribute up to \$15,000 (\$30,000 if married filing a joint return) to a first-time home buyer savings account and deduct the contribution. Deposits into a first-time home buyer savings account can’t exceed \$100,000 for the lifetime of the account.

A first-time home buyer savings account is established in Idaho with a bank, savings and loan association, credit union, or trust company authorized to act as a fiduciary. As the account holder, you use the account to pay for, or receive reimbursement for, eligible costs in connection with your qualified home purchase.

Include interest earned on the account on line 25 but only if included on Form 43, line 8. Interest earned on the account is tax deferred if you use the funds for a qualified home purchase. Enter the name of the financial institution and your account number in

the spaces provided. Add your contributions to the interest earned on the account, and enter the total on this line.

Check the box to attest that you're a first-time home buyer. A first-time home buyer means an individual who is **all** of these:

- Resides in Idaho
- Has filed an Idaho income tax return for the most recent tax year
- Doesn't own, either individually or jointly, a single-family or multi-family residence
- Has never owned or purchased, either individually or jointly, a single-family residence in any location

Line 26 Other Subtractions

Metal Bullion Capital Gain

Column A: Enter the capital gain from the sale of precious metal or monetized bullion (Idaho Code section 63-3622V (included in federal adjusted gross income).

Column B: Enter the capital gain from the sale of precious metal or monetized bullion (Idaho Code section 63-3622V) included in total income on Idaho Form 43.

Capital gain from the sale of precious metal or monetized bullion included in federal adjusted gross income while a resident of Idaho (Idaho Code section 63-3622V).

Columns A and B: Identify any other subtraction you're eligible for, and claim the amount on this line.

On this line in the applicable column, include interest from Idaho Build America Bonds on Form 43, line 28, Columns A and B. Don't include on this line any interest from non-Idaho Build America Bonds.

Don't include other subtractions from Form ID K-1, Part IV, line 28 on this line. Include those other subtractions on line 15.

Don't include foreign taxes as a subtraction, since they're claimed as part of the Idaho itemized deduction if allowed. See the instructions for **Itemized or Standard Deductions**.

Part C — Credit for Income Tax that Part-year Residents Paid to Other States

When both Idaho and another state tax the same income, you might qualify for a credit for tax paid to the other state. Use this section to calculate the

credit. You must include a copy of the other state's income tax return and Form 39NR. If the credit applies to more than one state, use a separate Form 39NR for each state.

You might qualify for a credit for tax that a pass-through entity (PTE) paid to another state on your behalf. The PTE should report that payment information to you. Include a copy of Form ID K-1.

Examples of income that both Idaho and another state might tax include:

- Wages earned in another state that has an income tax, such as Oregon or Utah, while you were living in Idaho
- Income from a business or profession earned in another state that has an income tax, while you were a resident of Idaho

Line 1. Enter your Idaho adjusted income from Form 43, line 31, Column B, if you reported the double-taxed income on an individual income tax return in the other state.

Line 2. Enter the total portion of federal adjusted gross income derived in the other state modified to reflect Idaho additions and subtractions. In calculating the income derived in the other state, you must reverse any adjustments to federal taxable income that the other state allows but Idaho doesn't.

Enter your adjusted gross income from the other state restated to a basis comparable to Idaho adjusted income. For example, if the other state taxes interest received from U.S. obligations, deduct this amount from the other state's adjusted gross income. Idaho doesn't tax this interest.

If your income derived in the other state includes income from an S corporation, partnership, trust, or estate, enter your share of the entity's taxable income correctly reported to the other state plus any other Idaho adjusted gross income from sources in the other state.

Line 3. Enter the amount of income that's taxed twice. Income is considered to be double taxed only if both Idaho and another state taxed it.

Line 4. Enter the tax shown on Form 43, line 42.

Line 5. Divide line 3 by line 1. Round to four digits to the right of the decimal point. For example, you'd round .66666 to .6667 and enter it as 66.67%.

Line 7. Enter the other state's tax due from its tax table or rate schedule minus its income tax credits. Don't subtract state and local tax (SALT) workaround

payments or credits. If your income derived in the other state was reported on a composite or group return that an S corporation or partnership filed, enter your proportionate share of the tax that the S corporation or partnership paid, minus your proportionate share of the income tax credits. Income tax credits are those credits that relate to income tax excluding SALT workaround payments or credits. An example of a credit that isn't an income tax credit is a special fuels or gasoline tax credit.

Line 8. Divide line 3 by line 2. Round to four digits to the right of the decimal point. For example, you'd round .66666 to .6667 and enter it as 66.67%.

Line 10. Your allowable credit for income tax paid to other states is the smaller of line 6 or 9. Enter this amount on Form 43, line 43. This credit can't exceed the Idaho tax due on Form 43, line 42.

Part D — Credit for Income Tax That Idaho Residents on Active Military Duty Paid to Other States

When both Idaho and another state tax the same income, you might be eligible for a credit for tax paid to the other state.

Use this section to calculate the credit. You must include a complete copy of the other state's income tax return and Idaho Form 39NR with your income tax return. If your S corporation or partnership paid income tax to another state on your behalf, include a copy of Form ID K-1 or the schedule you received from that S corporation or partnership. If credit applies to more than one state, use a separate Form 39NR for each state.

Examples of income that both Idaho and another state might tax include:

- Wages earned in another state that has an income tax, such as Oregon or Utah, while you were living in Idaho
- Income from a business or profession earned in another state that has an income tax, while you were living in Idaho

Line 1. Enter the tax shown on Form 43, line 42.

Line 2. Enter the total portion of federal adjusted gross income derived in the other state, modified to reflect Idaho additions and subtractions. In calculating the income derived in the other state, you must reverse any adjustments to federal taxable income that the other state allows but Idaho doesn't.

Enter your adjusted gross income from the other state restated to a basis comparable to Idaho adjusted income. For example, if the other state taxes interest received from U.S. obligations, deduct this amount from the other state's adjusted gross income. Idaho doesn't tax this interest.

If your income derived in the other state includes income from an S corporation, partnership, trust, or estate, enter your share of the entity's taxable income correctly reported to the other state plus any other Idaho adjusted gross income from sources in the other state.

Line 3. Enter your Idaho adjusted income from Form 43, line 31, Column B, if you reported the double-taxed income on an individual income tax return in the other state.

Line 4. Divide line 2 by line 3. Round to four digits to the right of the decimal point. For example, you'd round .66666 to .6667 and enter it as 66.67%.

Line 6. Enter the other state's tax due from its tax table or rate schedule minus its income tax credits. If your income derived in the other state was reported on a composite or group return that an S corporation or partnership filed, enter your proportionate share of the tax the S corporation or partnership paid minus your proportionate share of the income tax credits. Income tax credits relate specifically to income tax. Don't include other credits, such as a special fuels credit or gasoline tax credit.

Line 7. Your allowable credit for income tax paid to other states is the smaller of lines 5 or 6. Enter this amount on Form 43, line 43.

Part E — Credits for Idaho Educational Entity and Idaho Youth and Rehabilitation Facility Contributions, and Live Organ Donation Expenses

Line 1 Credit for Idaho Educational Entity Contributions

If you donated cash to qualified educational entities, you can claim a tax credit. Add any amounts from Form ID K-1, Part VIII, line 50 to your donation amount. Donation of goods or services don't qualify for this credit.

The credit is limited to the smallest of:

- One-half of the amount donated
- 50% of the tax on Form 43, line 42
- \$500 (\$1,000 on a joint return)

- The tax on Form 43, line 42 minus the amount on Form 43, line 43

If you have credit from an ABE (Form ID K-1, Part XI, line 59), you can add that to the amount calculated above (if any). If you're including an ABE credit, your *total* credit is limited to the smaller of **either** of these:

- 50% of the tax on Form 43, line 42
- \$500 (\$1,000 on a joint return)

See page 38 for the list of qualified educational entities.

Line 2 Credit for Idaho Youth and Rehabilitation Facility Contributions

You can claim this credit if you donated cash or goods to **any** of the following:

- Qualified center for independent living
- Youth or rehabilitation facility or its foundation
- Nonprofit substance abuse center that the Idaho Department of Health and Welfare licenses

Add any amounts from Form ID K-1, Part VIII, line 51 to your donation amount.

The credit is limited to the smallest of:

- One-half of the amount donated
- 20% of the tax on Form 43, line 42
- \$100 (\$200 on a joint return)
- The tax on Form 43, line 42 minus the amounts on Form 43, line 43, Form 39NR, Part E, line 1 and Form 44, Part I, line 1

If you have credit from an ABE (Form ID K-1, Part XI, line 61), you can add that to the amount calculated above (if any). If you're including an ABE credit, your *total* credit is limited to the smaller of:

- 20% of the tax on Form 43, line 42
- \$100 (\$200 on a joint return)

See page 38 for the list of qualified youth or rehabilitation facilities and their foundations.

Line 3 Credit for Live Organ Donation Expenses

A living taxpayer who donates (or whose dependent donates) a qualified organ that's transplanted into another individual can claim a credit for expenses related to the donation.

The credit can't be more than the taxpayer's tax liability and is limited to the smaller of:

- The amount of live organ donation expenses the taxpayer paid during the tax year
- \$5,000

You can carry over any unused credit for five years.

To claim the credit, you must donate one or more of these:

- Human bone marrow
- Any part of an:
 - Intestine
 - Kidney
 - Liver
 - Lung
 - Pancreas

Qualified expenses are those that the taxpayer or dependent incurs for travel, lodging, or lost wages and aren't reimbursed to the taxpayer. The expenses must be directly related to the taxpayer's or dependent's live organ donation.

Part F — Maintaining a Home for a Family Member Age 65 or Older or a Family Member with a Developmental Disability

Only residents, including Idaho residents on active military duty outside Idaho, can claim this credit.

If you didn't claim the \$1,000 deduction on Part B, line 11, you can claim a \$100 credit for each family member who's age 65 or older (not including yourself or your spouse) for whom you do **both** of these:

- Maintain a household for
- Provide more than one-half of the family member's support for the year

If you maintained the home for the family member for less than a full year, you can take the credit at the rate of \$8.33 for each month you maintained the home.

You can claim this credit if your gross income is less than the filing requirement. File Form 43 and include Form 39NR.

Lines 1 and 2. Answer the two questions. If you answer yes to either question, you qualify.

Line 3. Enter this information for the family member whose home you maintained and for whom you provided more than one-half of their support:

- Their name
- Their Social Security number
- Their relationship to you

If the claim is for a family member with a developmental disability, check the box.

Line 4. Enter the total on Form 43, line 64.