

# PARTNER'S, SHAREHOLDER'S, OR BENEFICIARY'S SHARE OF IDAHO ADJUSTMENTS, CREDITS, ETC.

2012

Final K-1  
 Amended K-1

|   |   |           |      |  |  |           |  |    |     |      |  |  |  |
|---|---|-----------|------|--|--|-----------|--|----|-----|------|--|--|--|
| For tax year beginning <table style="display: inline-table; border: none;"> <tr> <td style="border: none; text-align: center;">Mo</td> <td style="border: none; text-align: center;">Day</td> <td style="border: none; text-align: center;">Year</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;"></td> <td style="border: none; text-align: center;"><b>12</b></td> </tr> </table> ending | Mo  | Day       | Year |  |  | <b>12</b> | <table style="display: inline-table; border: none;"> <tr> <td style="border: none; text-align: center;">Mo</td> <td style="border: none; text-align: center;">Day</td> <td style="border: none; text-align: center;">Year</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none;"></td> <td style="border: none;"></td> </tr> </table> | Mo | Day | Year |  |  |  |
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| Mo  | Day   | Year      |      |  |  |           |  |    |     |      |  |  |  |
|   |   |           |      |  |  |           |  |    |     |      |  |  |  |
| Pass-through entity's EIN   | Pass-through owner's SSN/EIN                                  |           |      |  |  |           |  |    |     |      |  |  |  |
| Pass-through entity's name, address, city, state, and ZIP Code  | Pass-through owner's name, address, city, state, and ZIP Code |           |      |  |  |           |  |    |     |      |  |  |  |

**Questions about the owner:**

- a. Is the owner a (1)  General Partner, (2)  Limited Partner, (3)  Shareholder, or (4)  LLC Member?
- b. What type of person is this owner?  
 (1)  Individual (2)  S Corporation (3)  General Partnership  
 (4)  Estate/Trust (5)  C Corporation (6)  Limited Partnership  
 (7)  LLC (8)  Other Specify \_\_\_\_\_
- c. If the owner is a disregarded entity, check this box

Shareholder's percentage of stock ownership for the tax year \_\_\_\_\_ %

Beneficiary's percentage of distributive share \_\_\_\_\_ %

|                   | Beginning | Ending  |
|-------------------|-----------|---------|
| Partner's Profit  | _____ %   | _____ % |
| Partner's Loss    | _____ %   | _____ % |
| Partner's Capital | _____ %   | _____ % |

- a. If the pass-through owner (PTO) is an individual, estate, or trust, see instructions and enter amount of pass-through owner's distributive share of gross income \_\_\_\_\_
- b. Check this box  if the pass-through entity (PTE) is paying the Idaho income tax on behalf of the pass-through owner. Enter the amount of tax paid \_\_\_\_\_
- c. Check this box  if the pass-through entity is paying withholding for the pass-through owner. Enter the amount of withholding paid \_\_\_\_\_

**A. Allocation and Apportionment.** See instructions.

- If the PTE is an estate or trust, skip Part A.
- If the PTO is an Idaho resident or an Idaho resident estate or trust, complete line 2. Leave remaining lines blank.
- If the PTO is an Idaho nonresident or part-year resident, complete lines 1, 2, and 8 through 10, if applicable. Leave remaining lines blank.
- For all other PTOs, complete lines 1, 2, and 8 through 10. Additionally, if the PTE is a partnership, complete lines 3 through 7 for PTOs that aren't an individual, trust, or estate.

|  |   |   |
|--|---|---|
| 1. Idaho apportionment factor from Idaho Form 42, Part I, line 21 .....                                | 1 | % |
| 2. Pass-through owner's share of total income (for use in the PTO's interest offset computation) ..... | 2 |   |

| Pass-through Owner's Share of:                        | Total Everywhere |  | Total Within Idaho |  |
|---|------------------|--|--------------------|--|
|   |                  |  |                    |  |
| 3. Property: Beginning .....                          | 3a               |  | 3b                 |  |
| 4. Property: Ending .....                             | 4a               |  | 4b                 |  |
| 5. Capitalized rent expense .....                     | 5a               |  | 5b                 |  |
| 6. Sales .....  | 6a               |  | 6b                 |  |
| 7. Payroll .....                                      | 7a               |  | 7b                 |  |
| 8. Allocated income. Include schedule .....           |                  |  | 8                  |  |
| 9. Expenses related to line 8. Include schedule ..... |                  |  | 9                  |  |
| 10. Income allocated to Idaho. Include schedule ..... |                  |  | 10                 |  |

**B. Pass-through Owner's Share of Idaho Adjustments.** See instructions.

**Additions**

|   |   |  |
|---|---|--|
| 1. State, municipal and local taxes measured by net income .....              | 1 |  |
| 2. Bonus depreciation additions .....   | 2 |  |
| 3. Interest and dividends not taxable under Internal Revenue Code (IRC) ..... | 3 |  |
| 4. Other Idaho additions, Include schedule .....                              | 4 |  |

**Subtractions**

|   |    |  |
|---|----|--|
| 5. Interest from Idaho municipal securities included on line 3 .....                                | 5  |  |
| 6. Interest on U.S. Government obligations .....  | 6  |  |
| 7. Interest expense and other expenses related to lines 3, 5 and 6.                                 |    |  |
| a. Expenses related to non-Idaho interest and dividends included in line 3 .....                    | 7a |  |
| b. Expenses related to Idaho interest and dividends listed on line 5 .....                          | 7b |  |
| c. Expenses related to U.S. Government obligations listed on line 6 ....                            | 7c |  |
| 8. Bonus depreciation deduction .....   | 8  |  |
| 9. Idaho capital gain (loss) eligible for the Idaho capital gains deduction. Include schedule ..... | 9  |  |
| 10. Idaho technological equipment donation .....  | 10 |  |
| 11. Other Idaho subtractions. Include schedule .....  | 11 |  |

**C. Pass-through Owner's Share of Idaho Contributions.** See instructions.

|   |   |  |
|---|---|--|
| 1. Contributions to Idaho educational entities.....                 | 1 |  |
| 2. Contributions to Idaho youth and rehabilitation facilities ..... | 2 |  |

**D. Pass-through Owner's Share of Idaho Credits and Credit Recapture.** See instructions.

|   |    |  |
|---|----|--|
| 1. Investment tax credit .....  | 1  |  |
| 2. Credit for production equipment using postconsumer waste .....               | 2  |  |
| 3. Promoter sponsored event credit .....  | 3  |  |
| 4. Credit for qualifying new employees .....                                    | 4  |  |
| 5. Credit for Idaho research activities .....                                   | 5  |  |
| 6. Broadband equipment investment tax credit .....                              | 6  |  |
| 7. Incentive investment tax credit .....  | 7  |  |
| 8. Biofuel infrastructure investment tax credit.....                            | 8  |  |
| 9. Idaho small employer investment tax credit .....                             | 9  |  |
| 10. Idaho small employer real property improvement tax credit.....              | 10 |  |
| 11. Idaho small employer new jobs tax credit.....                               | 11 |  |
| 12. Recapture of investment tax credit.....                                     | 12 |  |
| 13. Recapture of broadband equipment investment credit.....                     | 13 |  |
| 14. Recapture of biofuel infrastructure investment tax credit .....             | 14 |  |
| 15. Recapture of Idaho small employer investment tax credit.....                | 15 |  |
| 16. Recapture of Idaho small employer real property improvement tax credit..... | 16 |  |
| 17. Recapture of Idaho small employer new jobs tax credit.....                  | 17 |  |

**E. Supplemental Information.**

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# Instructions for Idaho Form ID K-1

## GENERAL INSTRUCTIONS

Form ID K-1 is used to provide the partner, shareholder, or beneficiary of a pass-through entity (PTE) with information required to complete the pass-through owner's (PTO's) Idaho income tax return. Form ID K-1 isn't intended to be a substitute for the federal Schedule K-1. The information reported on the Form ID K-1 relates to Idaho law and identifies Idaho adjustments, allocation and apportionment amounts, credits, and recapture amounts. Items that are included on federal Schedule K-1, such as the Section 179 deduction, aren't shown on the ID K-1 as most amounts required on the Form ID K-1 aren't found on the federal Schedule K-1.

A copy of each PTO's federal Schedule K-1 and Form ID K-1 must be included with the PTE's Idaho tax return filed by:

- Every partnership or S corporation transacting business in Idaho
- Every estate or trust required to file an Idaho income tax return

A copy of the Form ID K-1 must be provided to each PTO. If the PTE has withheld income tax, the PTO should include Form ID K-1 with the PTO's income tax return; otherwise, the PTO should keep it for his records.

### Reporting of Pass-Through Items by Individual PTOs

Idaho part-year resident and nonresident individuals need to modify the amounts reported on the Form ID K-1 before entering them on their Idaho individual income tax returns. A nonresident uses the Idaho apportionment factor to determine how much of his share of income and deduction from the PTE is from an Idaho source. A part-year resident is considered to have earned the income from a PTE ratably during the tax year. For the portion of the year that the PTO was a nonresident, he will use the Idaho apportionment factor to determine how much of his share of income and deductions considered earned during that time is from an Idaho source. For the portion of the year he is a resident of Idaho, he must report all the Idaho income and deductions considered earned during that portion of the year.

A resident of Idaho will be taxed by Idaho on his entire share of the income from the PTE even if the income is apportioned between Idaho and other states.

### Qualified Investment Partnerships

Special rules apply to a PTO who is a nonresident individual when the PTE is a qualified investment partnership under Idaho law. A qualified investment partnership is an entity classified as a partnership for federal income tax purposes and isn't a publicly traded partnership taxed as a corporation, with at least 90% of its gross income from investments whose income wouldn't be taxed by Idaho if received directly by a nonresident individual. Noninvestment income from an Idaho source is subject to Idaho tax. If the PTE is a qualified investment partnership, include a statement on Form ID K-1, Part E, Supplemental Information that the PTE is a qualified investment partnership and that a nonresident may not be taxed on certain investment income.

## SPECIFIC INSTRUCTIONS

All amounts on the Form ID K-1 should be included before applying the Idaho apportionment factor of the PTE. A PTO who is a nonresident individual will apply the Idaho apportionment factor in computing the amounts to include on his Idaho individual income tax return.

## HEADING AND QUESTIONS

### Tax Year

File the 2012 form for calendar year 2012 or a fiscal year that begins in 2012. If the PTE's tax year is a fiscal year, fill in the tax year space at the top of the form.

### Final Return and Amended Return

If this is the last year the PTE is filing an Idaho income tax return or if the PTE is filing an amended Idaho return, check the applicable box at the top of the form.

### Identification Numbers, Name and Address

Write the PTE's federal employer identification number (EIN), business name, and address in the spaces provided.

Write the PTO's social security number or EIN, name, and address in the spaces provided.

Check the appropriate boxes to identify the PTO.

If the PTO is treated as a disregarded entity under the IRC, check this box.

### Owner's Ownership Percentage

Enter the owner's ownership percentages as shown on the owner's federal Schedule 1120 K-1, 1065 K-1, or 1041 K-1.

### Line a Idaho Gross Income

If the PTO is an individual, trust, or estate, enter the amount of the PTO's distributive share of the PTE's gross income. Don't multiply this by the PTE's Idaho apportionment factor.

This amount doesn't go on the PTO's Idaho return. It's used to determine whether a nonresident or part-year resident individual, trust, or an estate has a filing requirement in Idaho.

Gross income is determined as provided in the Internal Revenue Code (IRC) sections 61(a), 691, 702(c) and 1366(c). These amounts can be reported as non-separately stated items or as separately stated items, and can be found on various schedules. Gross income won't generally tie to a specific line on the Form 41S, Form 65, or Form 66 because many of the amounts on the return are reported net of expenses.

Income from an interest in an estate or trust is included within the federal definition of gross income. This constitutes gross income from the detailed rules of IRC Subtitle A, Chapter 1, Subchapter J, Part I (section 641 and following). See Treas. Reg. section 1.61-13(a).

### Line b Tax Paid on Behalf of PTO

If the PTE is paying the tax on behalf of the PTO, check this box. The PTO won't be required to file an Idaho individual income tax return for the tax year in which the tax is paid by the PTE on a composite return. The option to have the PTE pay the tax for the PTO isn't available to the following:

- Corporations, partnerships, or electing small business trusts, or to any other person who isn't an individual
- Part-year residents who have Idaho taxable income from sources other than pass-through entities
- Residents
- Nonresidents who have Idaho taxable income from sources other than pass-through entities

Enter the amount of tax paid for the PTO on the line provided.

The PTE must either complete Sections A through E for an electing PTO or include a schedule that identifies how the tax for the PTO was computed, including any credits that are used to offset tax.

**Line c Withholding Paid on Behalf of PTO**

A pass-through entity (PTE) transacting business in Idaho, including a trust or estate with income taxable in Idaho, must withhold income tax from a nonresident individual owner who isn't included in a composite return. Enter the amount of Idaho income tax withheld.

**PART A ALLOCATION AND APPORTIONMENT**

If the PTE is a trust or estate, skip Part A.

**Line 1 Idaho Apportionment Factor**

Enter 100% on this line if the PTE is transacting all of its business within Idaho; if not, enter the Idaho apportionment factor from Form 42, Part I, line 21.

This information is used by a part-year resident or nonresident individual, trust, or estate to determine the amount of PTE's business income that must be reported as Idaho source income while a nonresident of Idaho. The apportionment factor doesn't apply to allocated income (lines 8 through 10).

**Line 2 Total Income**

Enter the PTO's distributive share of total income reported on federal Form 1065, line 8, or federal Form 1120S, line 6.

This amount doesn't go on the PTO's Idaho return. It's used to calculate the interest expense offset related to tax-exempt interest. If the PTO isn't reporting a deduction for tax-exempt interest, the PTO won't use this information in preparing his Idaho return.

**Lines 3 Through 7**

Lines 3 through 7 should be completed only by a PTE that is a partnership or taxed as a partnership. If the partner is an individual, trust, or estate, the partnership can skip lines 3 through 7. All other PTEs skip lines 3 through 7 and go to line 8.

Enter the PTO's share of the partnership's total everywhere and Idaho property, payroll, and sales, net of intercompany eliminations, in the spaces provided. These amounts can be found on the partnership's Idaho Form 42. The capitalized rent expense on line 5 is the amount of rent expense net of intercompany rent expense after being capitalized by eight.

The PTO's share of the partnership's total everywhere and Idaho property, payroll, and sales is determined by attributing the partnership's property, payroll, and sales to the PTO in the same proportion as the PTO's distributive share of partnership income if reporting net income for the tax year or in the same proportion as the PTO's distributive share of partnership losses if reporting a net loss for the tax year.

These amounts are used if the PTO is a partnership or a corporation to compute its Idaho apportionment factor. The amounts will be added to the entity's property, payroll, and sales amounts in computing its Idaho factors if the income from the PTE is business income to the entity.

**Lines 8 Through 10**

Lines 8 through 10 are used by all PTOs. Nonresident individuals, trusts and estates will need to know what income is allocated income since this income is not apportioned to determine Idaho source income. Instead, allocated income and the related nonbusiness expense offset amount on line 9 is specifically sourced to a state. Income allocated to Idaho is listed on line 10. Provide a detailed breakdown of this income and related expenses on page 2, Part E.

A nonresident will need to remove allocated income from federal Schedule K-1 amounts before applying the apportionment factor listed on line 1 to determine the amount of business income apportioned to Idaho. Income allocated to Idaho (line 10) will then be added to the apportioned income to compute the amounts of Idaho source income to report on Form 43 or 66.

**Line 8 Allocated Income**

Enter the PTO's distributive share of the amount reported on Form 65, line 27 or Form 41S, line 29. Include a schedule or use Part E to identify the income.

**Line 9 Nonbusiness Expense Offset**

Enter the PTO's distributive share of the amount reported on Form 65, line 28 or Form 41S, line 30.

**Line 10 Income and Expenses Allocated to Idaho**

Enter the PTO's distributive share of nonbusiness income allocated to Idaho. This amount is net of the nonbusiness expense offset and reported on Form 65, line 37 or Form 41S, line 39. Include a schedule or use Part E to identify the income and expenses.

**PART B IDAHO ADJUSTMENTS**

**Report all amounts at the PTO's distributive share before applying the Idaho apportionment factor.**

**Line 1 State, Municipal and Local Taxes Measured by Net Income**

Enter the PTO's distributive share of the amount reported on Form 65, line 18, Form 41S, line 21, or Form 66, Schedule B, line 3. Include a schedule or use Part E to identify the amount and the governmental entity.

If the PTE is filing an Idaho Form 66, the PTE may be eligible to claim a credit for taxes paid on Form 66, Schedule C, line 2.

**Line 2 Bonus Depreciation Addition**

For assets acquired prior to 2008 or after 2009 for which you claimed bonus depreciation, enter the PTO's distributive share of the differences between the federal and Idaho depreciation and gains and losses reported on Form 65, line 19, Form 41S, line 17, or Form 66, Schedule B, line 5.

**Line 3 Interest and Dividends Not Taxable Under the IRC**

Enter the PTO's distributive share of the amount reported on Form 65, line 17, Form 41S, line 20, or Form 66, Schedule B, line 2. Except for amortization, don't include expenses associated with the securities on this line. Report the expenses on line 7a.

**Line 4 Other Idaho Additions**

Enter the PTO's distributive share of any other Idaho additions not included on lines 1 through 3 above. Include a schedule or use Part E to identify the additions.

**Line 5 Interest from Idaho Municipal Securities**

Enter the PTO's distributive share of the amount reported on Form 65, line 22, Form 41S, line 24, or Form 66, Schedule B, line 8. Except for amortization, don't include expenses associated with the securities on this line. Report the expenses on line 7b.

**Line 6 Interest on U.S. Government Obligations**

Enter the PTO's distributive share of the amount reported on Form 65, line 23, Form 41S, line 25, or included in the amount on Form 66, page 1, line 5. Except for amortization, don't include expenses associated with the securities on this line. Report the expenses on line 7c.

**Line 7 Interest and Other Expenses Related to Lines 3, 5, and 6**

On lines 7a through 7c, enter the PTO's distributive share of interest and other expenses related to the income reported on lines 3, 5, and 6.

**Line 8 Bonus Depreciation Deduction**

For assets acquired prior to 2008 or after 2009 for which you claimed bonus depreciation, enter the PTO's distributive share of the differences between the federal and Idaho depreciation and gains and losses on these assets reported on Form 65, line 30, Form 41S, line 32, or Form 66, Schedule B, line 9.

**Line 9 Idaho Capital Gain (Loss) Eligible for the Idaho Capital Gains Deduction**

For PTOs other than C corporations, enter the PTO's distributive share of gain or loss on the sale of Idaho qualified property. If the PTO is a C corporation, leave this line blank.

Include a schedule or use Part E to identify the type of property sold, the date of sale, and the holding period of the property.

**Line 10 Idaho Technological Equipment Donation**

If the PTO is a trust or an estate, skip line 10. Partnerships and S corporations enter the PTO's distributive share of technological equipment donation reported on Form 65, line 26 and Form 41S, line 28.

**Line 11 Other Idaho Subtractions**

Enter the PTO's distributive share of any other Idaho subtractions not included on lines 5 through 10 above. Include a schedule or use Part E to identify the subtractions.

**PART C IDAHO CONTRIBUTIONS**

**Report all amounts at the PTO's distributive share before applying the Idaho apportionment factor.**

**Line 1 Contributions to Idaho Educational Entities**

Enter the PTO's distributive share of the total amount of qualifying contributions to Idaho educational entities.

**Line 2 Contributions to Idaho Youth and Rehabilitation Facilities**

Enter the PTO's distributive share of the total amount of qualifying contributions to Idaho youth and rehabilitation facilities.

**PART D IDAHO CREDITS AND CREDIT RECAPTURE**

For lines 1 through 17, enter the PTO's distributive share of Idaho credits and Idaho credit recapture.

For credits, this is the PTO's distributive share of the total of:

- The amount of credit earned by the PTE, and
- The amount of any pass-through credit flowing into the PTE for the tax year

For recapture, this is the PTO's distributive share of the total of:

- The amount of credit recaptured by the PTE, and
- The amount of any pass-through credit recapture flowing into the PTE for the tax year

**PART E SUPPLEMENTAL INFORMATION**

List in Part E any supplemental information required or needed by the PTO to complete his Idaho return that isn't entered elsewhere on Form ID K-1. If there isn't enough space provided in Part E to report the information, include additional schedules as needed.

**Recapture of Credits**

If you reported recapture of credits in Part D, identify the year that the credit was originally earned for each amount recaptured or include a copy of the applicable recapture form reporting this information.

**Credit for Taxes Paid To Another State**

Provide information necessary for the computation of the credit for taxes paid to another state. This information must be provided on a state-by-state basis. Include the PTO's share of the amount of tax paid to the other state by the PTE and the PTO's share of the income reported to the other state.