

FORM 44

IDAHO BUSINESS INCOME TAX CREDITS AND CREDIT RECAPTURE

Part I of Form 44 provides a listing of the Idaho business credits allowed and the credit carryover amounts.

Part II of Form 44 provides a listing of the tax from recapture of income tax credits.

The total of the business income tax credits allowed and the tax from recapture of income tax credits will be carried to the Form 40 or Form 43. You must attach Form 44 to your return if you are claiming any business income tax credits or have any tax from recapture of income tax credits.

PART I. BUSINESS INCOME TAX CREDITS

Part I has two columns: the Credit Allowed column for the amount of credit allowed for the tax year and the Carryover column for the amount of carryover that exists at the end of the tax year.

The following credits are available to be transferred to another taxpayer rather than used by the taxpayer who earns the credit:

- Broadband equipment investment credit
- Incentive investment tax credit

To claim a credit you acquired through a transfer, you must attach a copy of the Idaho Statement of Credit Transfer, Form 70, to each return on which you are claiming transferred credit.

LINE 1 INVESTMENT TAX CREDIT (ITC)

If you acquire an asset for use in your business, you may have earned an ITC.

Credit Allowed: If you claimed or earned the credit for qualifying new employees, enter the allowable credit computed on Form 55, Part III, line 7. Otherwise, enter the credit allowed computed on Form 49, Part II, line 8.

Carryover: If you claimed or earned the credit for qualifying new employees, enter the amount of credit available less the allowable credit: Form 55, Part III, line 6a less the amount on line 7. Otherwise, enter the credit available less the credit allowed: Form 49, Part II, line 7 less the amount on line 8.

LINE 2 CREDIT FOR PRODUCTION EQUIPMENT USING POSTCONSUMER WASTE

If you purchased equipment that manufactures a product from postconsumer or postindustrial waste, you may be entitled to a tax credit. The credit is 20% of your cost to purchase qualified equipment.

Qualified equipment is machinery or equipment in Idaho with a useful life of three years or more. In addition, 90% of the equipment's production must result in products utilizing postconsumer or postindustrial waste.

Product is any manufactured material that is composed of at least 50% of postconsumer or postindustrial waste and offered for sale.

Product doesn't include shredded material unless it is incorporated directly into the manufacturing process.

Postconsumer waste or postindustrial waste includes only glass, paper, or plastic that have been, or would have been, disposed of as solid waste. It doesn't include radioactive or hazardous waste.

Attach a schedule showing your computations, listing the qualified equipment, identifying the postconsumer or postindustrial waste products, and identifying the newly manufactured products.

Credit Allowed: If you claimed or earned the credit for qualifying new employees, enter the allowable credit computed on Form 55,

Part III, line 11. Otherwise, enter the smallest of:

- \$30,000
- 20% of the cost to purchase qualified equipment plus the amount of credit carried forward, or
- tax available:
 - If filing Form 40, the tax on line 22 less the amounts on lines 24, 25, 26, and Form 44, Part I, line 1
 - If filing Form 43, the tax on line 45 less the amounts on lines 46, 47, 48, and Form 44, Part I, line 1

Carryover: Enter the amount of credit available less the amount allowed. Attach a schedule showing your computations. You may carry forward the unused portion of the credit up to seven years.

LINE 3 PROMOTER SPONSORED EVENT CREDIT

If you issued temporary sales tax permits to participants of a promoter sponsored event on behalf of the Tax Commission, you may claim a \$1 credit for each temporary permit issued during the tax year. Promoter sponsored events include swap meets, flea markets, gun shows, and fairs. You must have filed Form ST-124 with the Tax Commission to qualify for the credit.

Credit Allowed: If you claimed or earned the credit for qualifying new employees, enter the allowable credit computed on Form 55, Part III, line 13. Otherwise, enter the smaller of:

- \$1 for each temporary permit issued during the tax year, or
- tax available:
 - If filing Form 40, the tax on line 22 less the amounts on lines 24, 25, 26, and Form 44, Part I, lines 1 and 2
 - If filing Form 43, the tax on line 45 less the amounts on lines 46, 47, 48, and Form 44, Part I, lines 1 and 2

LINE 4 CREDIT FOR QUALIFYING NEW EMPLOYEES

Idaho allows a credit for qualifying new employees.

Credit Allowed: Enter the allowable credit computed on Form 55, Part III, line 15. Attach Form 55.

Carryover: Enter the amount of credit carryover to future years as computed on Form 55, Part III, line 32.

LINE 5 CREDIT FOR IDAHO RESEARCH ACTIVITIES

If you incurred expenses for research conducted in Idaho, you may have earned the credit for Idaho research activities.

Credit Allowed: Enter the credit allowed computed on Form 67, line 29. Attach Form 67.

Carryover: Enter the amount of credit carryover to future years as computed on Form 67, line 30.

LINE 6 BROADBAND EQUIPMENT INVESTMENT CREDIT

If you acquired qualified broadband equipment to use in your business in Idaho, it may qualify for the broadband equipment investment credit. You may also claim this credit if you acquired the credit through a transfer.

Credit Allowed: Enter the credit allowed computed on Form 68, line 18. Attach Form 68.

Carryover: Enter the amount of credit carryover to future years as computed on Form 68, line 19.

LINE 7 INCENTIVE INVESTMENT TAX CREDIT

You may claim this credit if you have incentive investment tax credit carryover from the tax year beginning in 2001 or received the credit by transfer or unitary sharing.

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Credit Allowed: Enter the credit allowed computed on Form 69, line 16. Attach Form 69.

Carryover: Enter the amount of credit carryover to future years as computed on Form 69, line 17.

LINE 8 SMALL EMPLOYER INVESTMENT TAX CREDIT

You may claim this credit if you have certified by filing Form 89SE that you have met or will meet the tax incentive criteria for this credit and you have acquired an asset for use in your business that otherwise qualifies for the investment tax credit (ITC).

Credit Allowed: Enter the credit allowed computed on Form 83, line 28. Attach Form 83.

Carryover: Enter the amount of credit carryover to future years as computed on Form 83, line 29.

LINE 9 SMALL EMPLOYER REAL PROPERTY IMPROVEMENT TAX CREDIT

You may claim this credit if you have certified by filing Form 89SE that you have met or will meet the tax incentive criteria for this credit and you have acquired real property improvements for use in your business at the project site during the project period.

Credit Allowed: Enter the credit allowed computed on Form 84, line 26. Attach Form 84.

Carryover: Enter the amount of credit carryover to future years as computed on Form 84, line 27.

LINE 10 SMALL EMPLOYER NEW JOBS TAX CREDIT

You may claim this credit if you have certified by filing Form 89SE that you have met or will meet the tax incentive criteria for this credit and you have qualified new employees at the project site during the project period.

Credit Allowed: Enter the credit allowed computed on Form 85, line 35. Attach Form 85.

Carryover: Enter the amount of credit carryover to future years as computed on Form 85, line 36.

LINE 11 BIOFUEL INFRASTRUCTURE INVESTMENT TAX CREDIT

If you placed in service qualified infrastructure used to sell biofuel, it may qualify for the biofuel infrastructure investment tax credit.

Credit Allowed: Enter the credit allowed computed on Form 71, line 30. Attach Form 71.

Carryover: Enter the amount of credit carryover to future years as computed on Form 71, line 31.

PART II. TAX FROM RECAPTURE OF INCOME TAX CREDITS

LINE 1 TAX FROM RECAPTURE OF INVESTMENT TAX CREDIT

If you have claimed an ITC on property that ceases to qualify before the end of the five-year recapture period, you must compute the ITC recapture. This includes property moved outside of Idaho.

Enter the amount from Form 49R, Part III, line 15. Attach Form 49R.

LINE 2 TAX FROM RECAPTURE OF BROADBAND EQUIPMENT INVESTMENT CREDIT

If you have claimed a broadband equipment investment credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the broadband equipment investment credit recapture. This includes property that ceases to qualify for the ITC.

Enter the amount from Form 68R, Part III, line 15. Attach Form 68R.

LINE 3 TAX FROM RECAPTURE OF SMALL EMPLOYER INVESTMENT TAX CREDIT

If you have claimed a small employer investment tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the small employer investment tax credit recapture. This includes property moved outside of Idaho.

You must also compute recapture if you failed to meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 83R, Part III, line 15. Attach Form 83R.

LINE 4 TAX FROM RECAPTURE OF SMALL EMPLOYER REAL PROPERTY IMPROVEMENT TAX CREDIT

If you have claimed a small employer real property improvement tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute the small employer real property improvement tax credit recapture.

You must also compute recapture if you failed to meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 84R, Part III, line 15. Attach Form 84R.

LINE 5 TAX FROM RECAPTURE OF SMALL EMPLOYER NEW JOBS TAX CREDIT

If you have claimed a small employer new jobs tax credit and you failed to maintain the required level new employees for the entire five-year recapture period, you must compute the small employer new jobs tax credit recapture.

You must also compute recapture if you failed to meet the tax incentive criteria required to qualify for this credit at the project site during the project period.

Enter the amount from Form 85R, line 13. Attach Form 85R.

LINE 6 BIOFUEL INFRASTRUCTURE INVESTMENT TAX CREDIT

If you have claimed a biofuel infrastructure investment tax credit on property that ceases to qualify before the end of the five-year recapture period, you must compute biofuel infrastructure investment tax credit recapture. This includes property no longer used to sell biofuel in Idaho.

Enter the amount from Form 71R, Part III, line 15. Attach Form 71R.