

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

# 2016

Final K-1  
 Amended K-1

For tax year beginning Mo Day Year **16** ending 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  General Partner,  Limited Partner,  Shareholder,  LLC Member, or  Beneficiary?
- b. What type of person/entity is this owner?  
 Individual  S Corporation  General Partnership  
 Estate/Trust  C Corporation  Limited Partnership  
 LLC  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	_____ %	_____ %

- d. Is the owner's distributive share of Idaho source gross income equal to or greater than \$2,500?  Yes  No  
If yes, the owner has a filing requirement in Idaho.
- e. If the pass-through entity is paying withholding for the pass-through owner, enter the amount of withholding paid on a PTE-01 \_\_\_\_\_
- f. If the pass-through entity is paying the Idaho income tax on behalf of the pass-through owner on the entity's composite return, enter the amount of tax paid \_\_\_\_\_

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

- If the entity is an estate or trust, skip Part A.
- If the owner is an Idaho resident or an Idaho resident trust or estate, complete line 1. Leave the remaining lines blank.
- If the entity is a partnership, complete lines 3 through 7 for owners that aren't an individual, trust, or estate.
- If the owner is an Idaho nonresident, part-year resident, corporation, or partnership, complete lines 1, 2, and 8 through 10, if applicable. Leave the remaining lines blank.

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

Partnerships and Corporations

Owners Except Residents

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 addition .....	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 post-consumer 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 credit .....	6	
7. Reserved .....	7	
8. Reserved .....	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 shareholder, partner, or beneficiary of a pass-through entity (entity) with information required to complete the pass-through owner's (owner's) Idaho income tax return. Form ID K-1 isn't 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. Form ID K-1 is used in conjunction with the federal Schedule K-1 to prepare your Idaho return.

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

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

A copy of the Form ID K-1 must be provided to each owner. If the entity has withheld income tax, the Form ID K-1 should be included with the owner's income tax return; otherwise, it should be kept with the owner's records.

### REPORTING OF PASS-THROUGH ITEMS BY INDIVIDUAL OWNERS

#### Resident owner

A resident of Idaho is taxed on the entire share of income from the entity even if the income is apportioned between Idaho and other states.

#### Part-year and nonresident owner

Idaho part-year and nonresident shareholders/partners need to modify the amounts reported on the Form ID K-1 before entering them on their Idaho income tax returns.

#### Part-year resident owner

A part-year resident is considered to have earned the income from an entity proportionately during the tax year.

#### For the portion of the year that the owner was a nonresident

- the owner uses the Idaho apportionment factor to determine the amount of Idaho source income.

#### For the portion of the year that the owner was a resident of Idaho

- all income and deductions are reported.

#### Nonresident owner

The owner uses the Idaho apportionment factor to determine the amount of Idaho source income from the entity.

#### Qualified Investment Partnerships

Special rules apply to an owner who is a nonresident individual when the entity is a qualified investment partnership under Idaho law. A qualified investment partnership is an entity that is classified as a partnership for federal income tax purposes and isn't a publicly traded partnership taxed as a corporation, and has 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 entity is a qualified investment partnership, include a statement on Form ID K-1, Part E, Supplemental Information that the entity 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 entity. An owner who is a nonresident individual applies the Idaho apportionment factor in computing the amounts included on the Idaho individual income tax return.

### HEADING AND QUESTIONS

#### Tax Year

File the 2016 form for calendar year 2016 or a fiscal year that begins in 2016. If the entity'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 entity is filing an Idaho income tax return or if the entity is filing an amended Idaho return, check the applicable box at the top of the form.

#### Identification Numbers, Name, and Address

Indicate the entity's federal employer identification number (EIN), business name, and mailing address in the spaces provided.

Indicate the owner's Social Security number or EIN, name, and mailing address in the spaces provided.

Check the appropriate boxes to identify the owner.

If the owner is treated as a disregarded entity under the Internal Revenue Code (IRC), check the box.

#### Owner's Ownership Percentages

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

#### Line d Idaho Gross Income

Determine the owner's distributive share of the entity's Idaho source gross income and check the appropriate box. If the owner's distributive share of gross income is equal to or greater than \$2,500, the owner has a filing requirement in Idaho.

Gross income is determined as provided in 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 a trust or estate 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).

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

#### Line e Withholding Paid on Behalf of Owner

A pass-through entity 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.

### Line f Tax Paid on Behalf of Owner

If the entity is paying the tax on behalf of the owner, enter the amount of tax paid on the line provided. The owner won't be required to file an Idaho individual income tax return for the tax year in which the tax is paid by the entity on a composite return. The option to have the entity pay the tax for the owner isn't available to the following:

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

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

### PART A ALLOCATION AND APPORTIONMENT

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

#### Line 1 Total Income

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

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

#### Line 2 Idaho Apportionment Factor

Enter 100% on this line if the entity 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 the entity'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).

#### Lines 3 Through 7

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

Enter the owner'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 owner'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 owner in the same proportion as the owner's distributive share of partnership income if reporting net income for the tax year or in the same proportion as the owner's distributive share of partnership losses if reporting a net loss for the tax year.

These amounts are used if the owner is a corporation or partnership 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 entity is business income to the entity.

### Lines 8 Through 10

Lines 8 through 10 are used by all owners except residents. 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 owner's distributive share of the amount reported on Form 41S, line 29 or Form 65, line 27. Include a schedule or use Part E to identify the income.

#### Line 9 Nonbusiness Expense Offset

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

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

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

### PART B IDAHO ADJUSTMENTS

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

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

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

If the entity is filing an Idaho Form 66, the entity 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 before 2008 or after 2009 for which you claimed bonus depreciation, enter the owner's distributive share of the differences between the federal and Idaho depreciation and gains and losses reported on Form 41S, line 21, Form 65, line 19, or Form 66, Schedule B, line 5.

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

Enter the owner's distributive share of the amount reported on Form 41S, line 19, Form 65, line 17, 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 owner'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 owner's distributive share of the amount reported on Form 41S, line 24, Form 65, line 22, 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 owner's distributive share of the amount reported on Form 41S, line 25, Form 65, line 23, 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 owner'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 before 2008 or after 2009 for which you claimed bonus depreciation, enter the owner's distributive share of the differences between the federal and Idaho depreciation and gains and losses on these assets reported on Form 41S, line 32, Form 65, line 30, or Form 66, Schedule B, line 9.

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

For owners other than C corporations, enter the owner's distributive share of gain or loss on the sale of Idaho qualified property. If the owner 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 owner is a trust or estate, skip line 10. S corporations and partnerships enter the owner's distributive share of technological equipment donation reported on Form 41S, line 28, and Form 65, line 26.

**Line 11 Other Idaho Subtractions**

Enter the owner'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 owner's distributive share before applying the Idaho apportionment factor.**

**Line 1 Contributions to Idaho Educational Entities**

Enter the owner'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 owner'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 owner's distributive share of Idaho credits and Idaho credit recapture.

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

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

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

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

**PART E SUPPLEMENTAL INFORMATION**

List in Part E any supplemental information required or needed by the owner to complete the 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 Income Taxes Paid To Another State**

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