



State Tax Commission

## Form 41S

## S Corporation Income Tax Return

2021

**Amended Return?** Check the box. See page 1 of the instructions for reasons to amend and enter the number that applies. ☐ \_\_\_\_\_

For calendar year 2021 or fiscal year beginning Mo Day Year 21 ending Mo Day Year \_\_\_\_\_

State use only \_\_\_\_\_

Business name \_\_\_\_\_ State use only \_\_\_\_\_ Federal Employer Identification Number (EIN) \_\_\_\_\_

Current business mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_ NAICS Code \_\_\_\_\_

1. Check the type of return ☐ Regular ☐ Composite ☐ Affected business entity
2. If a federal audit was finalized this year, enter the latest year audited \_\_\_\_\_
3. Is this an inactive corporation or nameholder corporation? \_\_\_\_\_ ☐ Yes ☐ No
4. a. Were federal estimated tax payments required? \_\_\_\_\_ ☐ Yes ☐ No  
b. Were estimated tax payments based on annualized amounts? \_\_\_\_\_ ☐ Yes ☐ No
5. Is this a final return? \_\_\_\_\_ ☐ Yes ☐ No  
If yes, check the proper box below and enter the date the event occurred \_\_\_\_\_  
☐ Withdrawn from Idaho ☐ Dissolved ☐ Merged or reorganized Enter new EIN \_\_\_\_\_
6. Is this an electrical or telephone utility? \_\_\_\_\_ ☐ Yes ☐ No
7. Did the ownership change during the year? \_\_\_\_\_ ☐ Yes ☐ No
8. Enter the amount of investment tax credit earned this tax year \_\_\_\_\_
9. Enter the amount of broadband equipment investment credit earned this tax year \_\_\_\_\_
10. Enter the amount of credit for Idaho research activities earned this tax year \_\_\_\_\_
11. Reserved \_\_\_\_\_
12. Did you claim the property tax exemption for investment tax credit property acquired this tax year? \_\_\_\_\_ ☐ Yes ☐ No

## Income

- |  |    |  |
|--|----|--|
| 13. Ordinary income (loss). Form 1120S, page 1                                   | 13 |  |
| 14. Net income (loss) from rental real estate activities. Form 1120S, Schedule K | 14 |  |
| 15. Net income (loss) from other rental activities. Form 1120S, Schedule K       | 15 |  |
| 16. Portfolio income (loss). Form 1120S, Schedule K                              | 16 |  |
| 17. Other items. See instructions  | 17 |  |
| 18. Net distributable income. Add lines 13 through 17                            | 18 |  |

## Additions

- |  |    |  |
|--|----|--|
| 19. Interest and dividends not taxable under Internal Revenue Code. Include a schedule | 19 |  |
| 20. State, municipal, and local taxes measured by net income. Include a schedule       | 20 |  |
| 21. Bonus depreciation. Include a schedule   | 21 |  |
| 22. Other additions  | 22 |  |
| 23. Add lines 18 through 22  | 23 |  |

## Subtractions

- |   |    |  |
|---|----|--|
| 24. Interest from Idaho municipal securities                                    | 24 |  |
| 25. Interest on U.S. government obligations. Include a schedule                 | 25 |  |
| 26. Interest and other expenses related to lines 24 and 25                      | 26 |  |
| 27. Add lines 24 and 25, then subtract line 26                                  | 27 |  |
| 28. Technological equipment donation  | 28 |  |
| 29. Allocated income. Include a schedule  | 29 |  |
| 30. Interest and other expenses related to line 29. Include a schedule          | 30 |  |
| 31. Subtract line 30 from line 29   | 31 |  |
| 32. Bonus depreciation. Include a schedule                                      | 32 |  |
| 33. Other subtractions. See instructions  | 33 |  |
| 34. Total subtractions. Add lines 27, 28, 31, 32, and 33                        | 34 |  |
| 35. Net business income subject to apportionment. Subtract line 34 from line 23 | 35 |  |

Continue to page 2.

MAIL TO: Idaho State Tax Commission, PO Box 56, Boise ID 83756-0056

Include a complete copy of your federal Form 1120S.



36. Net business income subject to apportionment. Enter the amount from line 35 .....	36	
37. Corporations with all activity in Idaho enter 100%. Multistate/multinational corporations complete and include Form 42; enter the apportionment factor from Form 42, Part I, line 21 .....	37	%
38. Net business income apportioned to Idaho. Multiply line 36 by the percent on line 37 .....	38	
39. Income allocated to Idaho. See instructions .....	39	
40. S corporation income from Form PTE-12, Column b. Include Form PTE-12 .....	40	
41. S corporation income from Form PTE-12, Column e. Include Form PTE-12 .....	41	
42. Income reported on entity's composite return from Form PTE-12, Column c. Include Form PTE-12 ...	42	
43. Affected business entity income. Add lines 38 and 39 .....	43	
44. Idaho income tax from Form PTE-12, Column d. or 6.5% of line 43. Include Form PTE-12 .....	44	

**Credits**

45. Credit for contributions to Idaho educational entities .....	45	
46. Credit for contributions to Idaho youth and rehabilitation facilities .....	46	
47. Total business income tax credits from Form 44, Part I, line 10. Include Form 44 .....	47	
48. Total credits. Add lines 45 through 47 .....	48	
49. Subtract line 48 from line 44. If line 48 is greater than line 44, enter zero .....	49	

**Other Taxes**

50. Minimum tax. See instructions if the S corporation owes federal tax .....	50	20
51. Permanent building fund tax. See instructions .....	51	
52. Total tax from recapture of income tax credits from Form 44, Part II, line 6. Include Form 44 .....	52	
53. Fuels tax due. Include Form 75 .....	53	
54. <b>Sales/use tax due on untaxed purchases (online, mail order, and other)</b> .....	54	
55. Tax from recapture of qualified investment exemption (QIE). Include Form 49ER .....	55	
56. Total tax. Add lines 49 through 55 .....	56	
57. Underpayment interest. Include Form 41ESR .....	57	
58. Donation to Opportunity Scholarship Program .....	58	
59. Add lines 56 through 58 .....	59	

**Payments and Other Credits**

60. Estimated tax payments. If made under other EINs, provide EINs, amounts, and rollforwards .....	60	
61. Tax paid by affected business entity .....	61	
62. Special fuels tax refund _____ Gasoline tax refund _____ Include Form 75 ....	62	
63. Tax Reimbursement Incentive credit. Include certificate .....	63	
64. Total payments and other credits. Add lines 60 through 63 .....	64	

**Refund or Payment Due**

65. Tax due. If line 59 is more than line 64, subtract line 64 from line 59 .....	65	
66. Penalty ▪ _____ Interest from the due date ▪ _____ Enter total .....	66	
67. <b>Total Due.</b> Add lines 65 and 66 .....	67	
68. Overpayment. If line 59 is less than line 64, subtract line 59 from line 64 .....	68	
69. <b>Refund.</b> Amount of line 68 you want refunded to you .....	69	
70. <b>Estimated Tax.</b> Amount you want credited to your 2022 estimated tax. Subtract line 69 from line 68 .....	70	

**Amended Return Only. Complete this section to determine your tax due or refund.**

71. Total due (line 67) or overpayment (line 68) on this return .....	71	
72. Refund from original return plus additional refunds .....	72	
73. Tax paid with original return plus additional tax paid .....	73	
74. Amended tax due or refund. Add lines 71 and 72, then subtract line 73 .....	74	

▪ ☐ Within 180 days of receiving this return, the Idaho State Tax Commission may discuss this return with the paid preparer identified below. Under penalties of perjury, I declare that to the best of my knowledge and belief this return is true, correct, and complete. See instructions.

<b>Sign Here</b>	Signature of officer	Date
	Title	Phone number
Paid preparer's signature		Preparer's EIN, SSN or PTIN
Address		Phone number



Instructions are for lines not fully explained on the form.

An S corporation must provide each shareholder with an Idaho Form ID K-1. This form shows the shareholder's proportionate share of Idaho additions, subtractions, and credit information. For shareholders who aren't individuals, the Form ID K-1 also provides apportionment factor information that's needed to complete their Idaho income tax return. Form ID K-1 also identifies the proportionate share of gross income to help determine Idaho filing requirements of individual shareholders.

Include all Form ID K-1s and a complete copy of federal Form 1120S, including all federal Schedule K-1s, with the Idaho Form 41S.

## Rounding

Round the amounts on the return to the nearest whole dollar. Round down if under 50 cents, round up if 50 cents or more.

## Heading

File the 2021 return for calendar year 2021 or a fiscal year that begins in 2021. For a fiscal year, fill in the tax year space at the top of the form.

Write your business name, address, and federal Employer Identification Number (EIN) in the space provided. Don't include the dash when entering your EIN. Also, provide your NAICS (North American Industry Classification System) code, listed as the business activity code on your federal return.

## Amended Return

You can use this form as an original return or an amended return.

If you're filing this form as an amended return, check the box at the top of the form. Enter the number from the following list that best describes your reason for amending.

1. Federal Audit
2. Federal Amended
3. Other – Include an explanation

Complete the entire form using the corrected amounts.

## Questions 1 – 12

Mark the appropriate boxes and provide the requested information. Answer each question or the return will be considered incomplete. Incomplete returns delay processing. Unanswered questions in this section will be assumed to be a "no."

**Question 1 Return Type.** Check the appropriate box.

A composite return is a single return filed by an entity on behalf of its eligible owners. An affected business entity is an S corporation that elects to be taxed at the entity level. Include Form ABE, *Affected Business Entity Election* with your return.

See additional information including Forms PTE-12 and PTE-01 on our *Pass-through Entity Guidance* page at [tax.idaho.gov/pte](https://tax.idaho.gov/pte).

**Question 2 Federal Audit.** If a federal audit was finalized during the tax year, enter the most recent tax year covered in the audit.

**Question 3 Inactive or Nameholder Corporations.** Check the "Yes" box if the S corporation is authorized to transact business in Idaho but has no business activity and no income attributable to Idaho.

**Question 4 Estimated Tax Payments.**

- a. Check the "No" box if the corporation wasn't required to make federal estimated tax payments in 2021.
- b. Check the "Yes" box if your estimated tax payments were based on annualized amounts.

**Question 5 Final Return.** If this is the corporation's final return for Idaho, check the box that explains the reason and enter the date the event occurred. Enter the new federal EIN if the corporation was merged or reorganized.

**Question 6 Electrical or Telephone Utility.** If this return is for an electrical or telephone utility, check the "Yes" box. Electrical and telephone utilities apportion business income using a different apportionment factor calculation.

**Question 7 Ownership Change.** Check the "Yes" box if a shareholder's interest was terminated or if a new shareholder acquired an interest in the corporation.

**Question 8 Investment Tax Credit (ITC).** Enter the amount from Form 49, Part I, line 6. This is the Idaho ITC the corporation earned for the tax year.

**Question 9 Broadband Equipment Investment Credit.** Enter the amount from Form 68, line 2. This is the broadband equipment investment credit the corporation earned for the tax year.

**Question 10 Credit for Idaho Research Activities.** Enter the amount from Form 67, line 16. This is the credit for Idaho research activities the corporation earned for the tax year.

**Question 12 Property Tax Exemption.** Check the “Yes” box if you elected the property tax exemption on personal property that qualifies for the ITC. Include a copy of your Form 49E.

## Income

### Line 16 Portfolio Income

Enter your net portfolio income or loss from Form 1120S, Schedule K, lines 4, 5a, 6, 7, and 8a.

### Line 17 Other Items

Enter your other items from Form 1120S, Schedule K. Include any other income, loss, or deductions (such as Section 179 or charitable contributions) required to be reported separately to shareholders from the federal Form 1120S, Schedule K.

## Additions

### Line 19 Interest and Dividends Not Taxable Under Internal Revenue Code (IRC)

Enter the interest and dividends net of applicable amortization received or accrued from obligations of any state or political subdivision excluded from federal income under the provisions of the IRC.

### Line 20 State, Municipal, and Local Taxes

Enter the total of all state, municipal, and local taxes measured by net income that have been paid or accrued during the tax year, minus any refunds that have been included in federal income. Include taxes paid on built-in gains and excess net passive income. Include a schedule of all taxes deducted on the federal return.

### Line 21 Bonus Depreciation

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

- Complete a separate federal Form 4562 or detailed computation for Idaho depreciation purposes as if the special depreciation allowance hadn't been claimed.
- Compute the Idaho adjusted basis and any gains or losses from the sale or exchange of property using the Idaho depreciation amounts.
- If the federal depreciation (including gains and losses) is more than the Idaho depreciation (including gains and losses), include the difference as an addition on this line; otherwise, enter the difference on line 32.

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

### Line 22 Other Additions

Enter any miscellaneous Idaho additions. If you have separately stated items that must be added back, include the amount. Include a schedule identifying each addition.

Include on this line any amounts excluded from taxable income for funds received according to the emergency rental assistance program established under Public Law 116-260 for COVID-19 relief.

If you're an affected business entity (ABE) and you're a member of another ABE, include on this line your distributive share of loss from the ABE.

## Subtractions

### Line 24 Interest From Idaho Municipal Securities

Enter interest income from securities issued by the state of Idaho and its political subdivisions, if included on line 20.

### Line 25 Interest on U.S. Government Obligations

Idaho doesn't tax interest income from U.S. government obligations. Deduct any U.S. government interest included in federal income. Examples of U.S. government obligations include:

- Banks for Cooperatives
- Federal Farm Credit Banks
- Federal Financing Bank
- Federal Homeowners Loan Bank
- Federal Intermediate Credit Bank
- Federal Land Bank
- Guam
- Puerto Rico
- Student Loan Marketing Association
- Tennessee Valley Authority Bonds
- Territory of Alaska
- Territory of Hawaii
- Territory of Samoa
- U.S. Series EE and HH Bonds
- U.S. Treasury Bills and Notes
- Virgin Islands

Idaho taxes interest income 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 the amount for it to be deductible.

**Line 26 Interest Expense Offset**

Complete the following computation to calculate the interest expense offset.

- 1a. Interest expense. Total interest expense deducted in determining federal income .....
- b. Interest expense disallowed under IRC Sections 265 and 291 .....
- c. Interest expense from a pass-through entity .....
- d. Intercompany interest expense .....
- e. Total interest expense. Add lines a through c and subtract line d .....
2. Total tax-exempt income (interest on qualifying obligations of the United States and the state of Idaho, its cities, and political subdivisions) .....
3. Total income. Refer to Rule 115, Idaho Income Tax Administrative Rules .....
4. Divide line 2 by line 3 ..... %
5. Multiply line 1e by line 4. Enter amount on line 26 .....

**Line 28 Technological Equipment Donation**

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. Any unused deduction can't be carried to another year.

**Line 29 Allocated Income**

Enter the amount of nonbusiness income. Include a schedule detailing the source of the income and explaining why the income was classified as nonbusiness.

**Line 30 Nonbusiness Expense Offset**

Add back expenses included in computing federal income that are related to the production of allocated nonbusiness income listed on line 29.

1. Expenses directly related to nonbusiness income .....
- 2a. Interest expense. Total interest expense deducted in determining federal income .....
- b. Interest expense disallowed under IRC Sections 265 and 291 .....
- c. Interest expense from a pass-through entity .....
- d. Subtotal. Add lines a through c .....
- e. Interest expense included in line 1 .....
- f. Interest expense on line 26 attributable to tax-exempt income .....
- g. Intercompany interest expense .....
- h. Total interest expense. Subtract lines e, f, and g from line d .....
3. Total nonbusiness income .....
4. Total income. Refer to Rule 115, Idaho Income Tax Administrative Rules .....
5. Divide line 3 by line 4 ..... %
6. Multiply line 2h by line 5. This is the interest expense prorated to nonbusiness income .....
7. Other indirect expenses related to both business and nonbusiness income .....
8. Multiply line 7 by line 5 .....
9. Add lines 1, 6, and 8. Enter amount on line 30 .....

**Line 32 Bonus Depreciation**

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

- Complete a separate federal Form 4562 or detailed computation for Idaho depreciation purposes as if the special depreciation allowance hadn't been claimed.
- Compute the Idaho adjusted basis and any gains or losses from the sale or exchange of 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 as a deduction on this line; otherwise, enter the difference on line 21.

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



**Line 33 Other Subtractions**

Enter any miscellaneous Idaho deductions. Include any deductions from separately stated items you're required to report except for deductions not allowed to S corporations when paying the tax for shareholders. Include a schedule identifying each deduction.

Include any amounts included in net distributable income, line 18 for funds received or loans forgiven according to Public Laws 116-136, 116-139, and 116-142 for COVID-19 relief.

If you're an ABE and you're a member of another ABE, include on this line your distributive share of income from the ABE.

**Line 37 Apportionment Factor**

If all the activity is in Idaho, enter 100%. If the S corporation has multistate/multinational operations, enter the apportionment factor from Form 42, Part I, line 21. Include Form 42.

**Line 38 Net Business Income Apportioned to Idaho**

Multiply line 36 by the percent on line 37. Enter the amount and complete lines 40-42 using information from Form PTE-12.

**Line 39 Income Allocated to Idaho**

Enter the amount of nonbusiness income allocated to Idaho minus the nonbusiness expense offset from line 30 that applies to this income. Include a schedule detailing the source of the income allocated to Idaho.

**Lines 40 – 44**

Complete Form PTE-12 and include a copy with your return. Refer to Form PTE-12 for instructions. The sum of lines 40 – 42 should be equal to or greater than the sum of lines 38 and 39.

**Credits**

Except for the Tax Reimbursement Incentive credit and the investment tax credit earned by an S corporation while a former C corporation, credits earned by the S corporation pass through to each shareholder based on that shareholder's proportionate share of S corporation income or loss. When an S corporation has a fiscal year-end other than that of the shareholder, the credit passes through in the same period that the shareholder reports the S corporation income or loss for federal tax purposes.

The S corporation must provide each shareholder with an Idaho Form ID K-1. This form shows the shareholder's proportionate share of credits earned,

credits subject to recapture, and contribution information needed to calculate certain credits. Each shareholder uses this information to determine the amount of Idaho credit allowed, recapture required, and credit carryovers to report on the shareholder's Idaho income tax return. Credits reported by each shareholder are subject to the limitations applicable to that shareholder. Include copies of Form ID K-1 with this return for the year when the credit is earned.

If an individual shareholder's portion of the income is taxed on the S corporation's return, the tax can be offset by that shareholder's proportionate share of credits. Credits applied to this tax are computed based on the credit limitations applicable to corporations. For example, if an S corporation pays the tax for three individual shareholders, the amount of credit for contributions to educational institutions is the lesser of the following amounts:

- 50% of the three shareholders' share of the amount donated
- 10% of the tax computed for the three shareholders, or
- \$5,000

Credits allowed to a shareholder that aren't used to offset that shareholder's tax can't be used to offset the tax computed for other shareholders. The broadband equipment investment credit can be transferred to another taxpayer rather than used by the taxpayer who earns the credit.

To claim a credit you acquired through a transfer, include a copy of the Form 70, *Idaho Statement of Credit Transfer*, with each return you're claiming a transferred credit on.

**Line 45 Credit for Contributions to Idaho Educational Entities**

Donations made by an S corporation to a qualified educational entity can qualify for a tax credit. Donations of goods or services don't qualify.

If the S corporation pays the tax for one or more nonresident individual shareholders, determine each shareholder's proportionate share of the following amounts and enter the total of these amounts on this line.

The credit is limited to the smallest of:

- One-half of the amount donated
- 10% of the tax on line 44, or
- \$5,000

Don't enter the total credit earned by the S corporation if the S corporation isn't paying the tax for all shareholders.

A qualified educational entity includes:

- A nonprofit corporation, fund, foundation, research park, trust, or association organized and operated exclusively for the benefit of Idaho colleges and universities
- A nonprofit, private, or public Idaho school (elementary, secondary, or higher education) or its foundation
- Idaho education public broadcast system foundations
- The Idaho State Historical Society or its foundation
- An Idaho public library or its foundation
- An Idaho library district or its foundation
- An Idaho public or private nonprofit museum
- The Idaho Commission for Libraries
- Idaho Commission on Hispanic Affairs
- Idaho Commission for the Blind and Visually Impaired
- Idaho Council on Developmental Disabilities
- Idaho State Independent Living Council
- Idaho STEM Action Center
- Idaho Council for the Deaf and Hard of Hearing
- Medical residency programs or support organizations devoted to training residents in Idaho

#### **Line 46 Credit for Contributions to Idaho Youth and Rehabilitation Facilities**

An S corporation can claim this credit if it donated cash or goods to the following:

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

If the S corporation is paying the tax for one or more nonresident individual shareholders, determine each shareholder's proportionate share of the following amounts and enter the total of these amounts here.

The credit is limited to the smallest of:

- One-half of the amount donated
- 10% of the tax on line 44
- \$500, or
- The tax on line 44 minus the amounts on line 45 and Form 44, Part I, line 1

Don't enter the total credit earned by the S corporation if the S corporation isn't paying the tax for all shareholders.

The qualified youth or rehabilitation facilities and their foundations are:

- Anchor House
- The Arc, Inc., Boise
- The Children's Home Society of Idaho, Inc., Boise
- The Children's Village, Inc., Coeur d'Alene
- Dawn Enterprises, Inc., Blackfoot
- Development Workshop, Inc., Idaho Falls
- Gem Youth Services, Emmett
- Hope House, Inc., Nampa
- Idaho Drug Free Youth, Inc., Coeur d'Alene
- Idaho Elks Rehabilitation Hospital, Inc., Boise
- Idaho Youth Ranch
- Kinderhaven, Sandpoint
- Learning Lab, Inc., Boise
- Magic Valley Rehabilitation Services, Inc., Twin Falls
- New Day Products, Inc., Pocatello
- Northwest (North Idaho) Children's Home
- Opportunities Unlimited, Inc., Lewiston
- Panhandle Special Needs, Inc., Sandpoint
- Project P.A.T.C.H. (Planned Assistance for Troubled Children)
- Shepherd's Home, Inc., McCall
- Transitional Employment Services for the Handicapped, Coeur d'Alene
- Walker Center, Gooding
- Winchester Occupational Workshop, Winchester
- Witco Inc., Caldwell
- Women's and Children's Alliance

The following are the qualified centers for independent living:

- Disability Action Center Northwest, Moscow and Coeur d'Alene
- Living Independence Network Corporation, Boise and Twin Falls
- Living Independently For Everyone, Inc., Blackfoot, Idaho Falls and Pocatello

#### **Line 47 Total Business Income Tax Credits**

If the S corporation pays the tax for one or more nonresident individual shareholders, determine each shareholder's proportionate share of the total business income tax credits allowed from Form 44, Part I, line 10 and enter the total of these amounts here. Don't enter the total credit earned by the S corporation if the S corporation isn't paying the tax for all shareholders. Include Form 44.

**Other Taxes****Line 50 Minimum Tax**

The minimum tax of \$20 is required for each corporation:

- That transacts business in Idaho
- Is registered with the Idaho Secretary of State to do business in Idaho, or
- Is exercising its corporate franchise in Idaho

This includes an S corporation. For a unitary group of corporations, the \$20 minimum tax is required for each corporation in the unitary group that's required to file an Idaho income tax return, even though only one Idaho group return is filed.

The \$20 minimum tax isn't required to be paid by a:

- Nonproductive mining corporation
- Corporation not organized for profit that isn't required to pay federal tax on unrelated business income
- Homeowners' association filing Form 1120-H and having no federal taxable income
- Corporation under the protection of Public Law 86-272

If the S corporation owes federal tax on excess net passive income or net recognized built-in gains, compute the Idaho tax using the following instructions:

- Compute the Idaho tax on excess net passive income by multiplying 6.5% by the lesser of Idaho apportioned excess net passive income or Idaho apportioned taxable income. See federal Form 1120S instructions. Include a copy of the computations.
- Compute the Idaho tax on net recognized built-in gains by multiplying 6.5% by the Idaho apportioned net recognized built-in gain. See federal Form 1120S, Schedule D instructions. Include a copy of the computations.
- If the corporation was previously a C corporation with credit carryover, the credit can be used to offset all or part of the tax.

If the total tax computed is more than \$20, draw a line through the 20 printed on the form. Enter on this line the total Idaho tax on excess net passive income and net recognized built-in gains minus applicable income tax credit carryovers. Credit limitations apply. The total tax before credits can't be less than \$20.

**Line 51 Permanent Building Fund (PBF) Tax**

The following are required to pay the \$10 PBF:

- A corporation required to file an Idaho income tax return. This includes:
  - Homeowners' associations

- Inactive or nameholder corporations, and
- Nonproductive mining corporations registered with the Idaho Secretary of State to do business in Idaho
- Each corporation in the unitary group that's required to file an Idaho income tax return
- An S corporation required to pay tax on excess net passive income or net recognized built-in gains. An S corporation must pay for each individual included in the composite return.

A corporation under the protection of Public Law 86-272 isn't required to pay the PBF tax.

**Line 52 Total Tax From Recapture of Income Tax Credits**

If the S corporation is paying the tax for one or more nonresident individual shareholders, include on this line those shareholders' proportionate share of the total tax from recapture of income tax credits from Form 44, Part II, line 6. Include Form 44.

**Line 53 Fuels Tax Due**

If you buy gasoline, aircraft fuel or special fuels (diesel, propane, or natural gas) without paying the fuels tax and later use this fuel in licensed vehicles or aircraft, you owe fuels tax. Add the amounts on Form 75, Section IV, lines 3 and 4 and enter the total here. Include Form 75.

**Line 54 Sales/Use Tax Due**

If you purchased an item from an out-of-state seller (including internet, catalog, radio, and TV purchases) and the seller didn't collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission. Multiply the total amount of those purchases by 6% (.06).

If you computed use tax on Form 75, add it to the use tax on other purchases and enter the total here.

If you have an Idaho sales or use tax account, don't enter your sales or use tax on this line, but continue to report the tax on these purchases on your sales and use tax returns.

**Line 55 Tax From Recapture of Qualified Investment Exemption (QIE)**

If you've claimed the QIE for property tax on property that no longer qualifies before the end of the five-year recapture period, you must recapture part or all of the property tax benefit. Enter the amount from Form 49ER, Part III, line 18. Include Form 49ER.

**Line 57 Underpayment Interest**

Use Form 41ESR, Part I, Underpayment of Estimated Tax, to determine if there's an underpayment of



any estimated tax payments. Enter the amount of underpayment interest from Form 41ESR, Part II, line 24. Include Form 41ESR.

If this is an amended return, enter the amount from the original return.

#### Line 58 Donation to Opportunity Scholarship Program

You can make a voluntary donation to the Idaho Opportunity Scholarship Program. The amount designated will either reduce your refund or increase your tax due. Your choice to donate can't be changed; you can't get a refund later.

Contributions help provide need-based scholarship funds to Idaho high school graduates who attend approved higher education institutions in Idaho. For more information visit the Idaho Opportunity Scholarship Program website at [boardofed.idaho.gov/scholarships/Idaho-opportunity-scholarship](http://boardofed.idaho.gov/scholarships/Idaho-opportunity-scholarship).

### Payments and Other Credits

#### Line 60 Estimated Tax Payments

Enter the total amount of estimated tax payments made for tax year 2021 from the following forms:

- Form 41ES, *Estimated Tax Payment/Extension of Time Payment* and
- The amount applied from your 2020 return
- Don't include PTE-01 payments here

#### Line 61 Tax Paid by Affected Business Entity

If you're not making the election to file as an ABE but you're a shareholder in an ABE, enter the amount of tax paid by the ABE on your share of affected business income. Include a copy of Form ID K-1s with your return.

#### Line 62 Special Fuels and Gasoline Tax Refund

The special fuels (diesel, propane, or natural gas) tax refund is available to those who use the fuel for heating or in off-highway equipment and have paid the tax on the special fuels purchased. Enter the amount from Form 75, Section IV, line 2. Include Form 75.

The gasoline tax refund is available to those who buy and use gasoline in off-highway equipment or auxiliary engines. Enter the amount from Form 75, Section IV, line 1. Include Form 75.

#### Line 63 Tax Reimbursement Incentive Credit

Enter the total credit allowed from the Idaho Reimbursement Incentive Certificate. Include a copy of the certificate with the return.

### Refund or Payment Due

#### Line 66 Penalty and Interest

Penalty and interest are computed on the tax on line 65 minus the underpayment interest on line 57 and the donation amount on line 58.

**Penalty:** Idaho law provides penalties for not filing tax returns by the due date, not paying tax due on time, and not prepaying enough on extension returns. For more information or to calculate a penalty, see our *Penalties and Interest* page at [tax.idaho.gov/penalties](http://tax.idaho.gov/penalties).

**Interest:** We charge interest on the amount of tax due from the due date until paid in full. The rate for 2022 is 3%.

#### Line 69 Refund

If you're filing an original return, you can receive all or part of the overpayment listed on line 68 as a refund or apply all or part of the overpayment to your 2022 estimated tax. Enter the amount you want refunded to you. If you enter the total amount from line 68, you must enter zero on line 70.

#### Line 70 Estimated Tax

If you're filing an original return, you can apply all or part of the overpayment listed on line 68 as a credit against your 2022 estimated tax. The amount you list on this line plus the amount on line 69 must equal the overpayment listed on line 68. If you listed the total overpayment as the amount you want refunded to you on line 69, you must enter zero on this line.

If you're filing an amended return, you must enter the same amount as reported on the original return.

### Amended Return Only

Complete lines 71 through 74 only if you're filing this return as an amended return.

#### Line 71 Total Due or Overpayment on This Return

If the total due shown on line 67 is greater than zero, enter the amount here as a positive amount.

If line 67 is zero, enter the amount of overpayment from line 68 here as a negative amount.

#### Line 72 Refund from Original Return Plus Additional Refunds

Enter the total refund amount from previous returns for this tax year here as a positive amount.

#### Line 73 Tax Paid with Original Return Plus Additional Tax Paid

Enter the total due paid from previous returns for this tax year here as a positive amount. Don't include penalty, interest, Form 51 estimated payments, withholding, or unpaid tax.

**Line 74 Amended Tax Due or Refund**

Add lines 71 and 72 then subtract line 73. A positive amount is your amended tax due. A negative amount is your amended refund.

**Signature**

An authorized individual must sign the return on behalf of the corporation.

**Tax Preparer**

Check this box if you paid a tax preparer to complete your return, and you're authorizing the Tax Commission to discuss your return with the paid preparer identified on your return.

You're also authorizing the paid preparer to:

- Give the Tax Commission any information that's missing from your return, and
- Call the Tax Commission for information about the processing of your return or the status of your refund or payments

You're not authorizing the paid preparer to receive any refund check, bind you to anything including any additional tax liability or otherwise represent you before the Tax Commission. This authorization is valid for up to 180 days from the date the Tax Commission receives the return. If you want the Tax Commission to contact you instead of your preparer, leave the box blank.

**Contact us:**

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660  
Hearing impaired (TDD) (800) 377-3529  
[tax.idaho.gov/contact](https://tax.idaho.gov/contact)