

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 517

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO ADJUSTMENTS TO IDAHO TAXABLE INCOME; AMENDING SECTION 63-30220,
2 IDAHO CODE, TO REMOVE LANGUAGE DISALLOWING DEDUCTION OF CERTAIN EX-
3 PENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS AND TO MAKE TECH-
4 NICAL CORRECTIONS; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE
5 APPLICATION.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 63-30220, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 63-30220. ADJUSTMENT -- PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001 --
11 ~~EXPENSES OF ELEMENTARY AND SECONDARY TEACHERS~~ -- SMALL BUSINESS EXPENSES --
12 LIMITATIONS ON ASSESSMENTS AND REFUNDS. For taxable years commencing on and
13 after January 1, 2001, in computing Idaho taxable income:

14 (1) The adjusted basis of depreciable property, depreciation and gains
15 and losses from sale, exchange or other disposition of depreciable property
16 acquired after September 10, 2001, and before December 31, 2007, shall be
17 computed without regard to subsection (k) of section 168 of the Internal Rev-
18 enue Code and the adjusted basis of depreciable property, depreciation and
19 capital gains and losses shall be computed without regard to subsection (k)
20 of section 168 of the Internal Revenue Code, as amended by the "tax relief,
21 unemployment insurance reauthorization and job creation act of 2010" and as
22 amended by the "small business jobs act of 2010"; and

23 ~~(2) No deduction shall be allowed relating to expenses of elementary~~
24 ~~and secondary teachers otherwise allowable under section 62(a)(2)(D) of the~~
25 ~~Internal Revenue Code; and~~

26 ~~(3) Adjustments in computing Idaho taxable income required by subsec-~~
27 ~~tion (1) of this section shall be made without regard to loss limitations im-~~
28 ~~posed by sections 465, 469, 704(d) and 1366(d) of the Internal Revenue Code;~~
29 ~~and~~

30 ~~(43) A taxpayer's basis in an interest in a pass-through entity, amount~~
31 ~~at risk, and passive activity loss carryover shall be the same amount for~~
32 ~~purposes of the Idaho income tax act as the amount determined under the In-~~
33 ~~ternal Revenue Code; and~~

34 ~~(54) Each partner, shareholder, member or beneficiary,~~ shall include
35 in Idaho taxable income his share of the adjustments required by this section
36 in computing Idaho taxable income of any pass-through entity; and

37 ~~(65) Notwithstanding the provisions of sections 63-3068 and 63-3072,~~
38 ~~Idaho Code, the period of limitations for issuing a notice of deficiency de-~~
39 ~~termination or filing a claim for refund for any year for which an adjust-~~
40 ~~ment is required by this section shall not expire before three (3) years from the~~
41 ~~later of: (a) the due date of the return for the last taxable year an adjust-~~
42 ~~ment was required by this section, or (b) the date the return was filed for~~

1 the last taxable year an adjustment was required by this section. Upon the
2 expiration of the period of limitations as provided in subsections (a) and
3 (m) of section 63-3068, Idaho Code, and subsections (b) and (h) of section
4 63-3072, Idaho Code, only those specific items of basis, deductions, gains
5 or losses that are computed, without regard to subsection (k) of section 168
6 of the Internal Revenue Code, as required by this section shall be subject to
7 adjustment.

8 SECTION 2. An emergency existing therefor, which emergency is hereby
9 declared to exist, this act shall be in full force and effect on and after its
10 passage and approval, and retroactively to January 1, 2012.