

Broadband Tax Credit

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Idaho Income Tax Credit for Investment in Broadband Equipment

General Information

- The statute that allows this credit is Idaho Code section 63-3029I.
- The credit amount is 3% of the cost of the “qualified broadband equipment investment.”
- This credit works in coordination with other Idaho income tax credits.

Application of Idaho Credits to Taxable Income

- Idaho taxable income
X
- The current corporate tax rate, 7.4%
=
- The Idaho income tax liability
- Apply any credits
- Amount owed

Broadband Investment Credit

- 3% credit for expenditures in qualified broadband equipment in Idaho.
- That is in addition to the 3% for the investment tax credit for the same equipment.
- Limited to no more than \$750,000 per taxpayer per year & no more than the tax liability after all other credits in a single tax year.
- Can be carried forward up to 14 years.
- Is transferable.

Investment Tax Credit

- Qualified broadband equipment must first be qualified for the capital investment credit as defined in Idaho Code section 63-3029B commonly referred to as the investment tax credit or ITC.

Qualified ITC Equipment

- Threshold qualification.
- Credit provided to businesses that purchase qualifying property for use in their business.
- Amount is 3% of the qualified investment.
- Limited to no more than 50% of tax liability.
- Not refundable.
- Balance may be carried forward up to 14 years.

Qualified ITC Equipment (cont.)

- Idaho Code section 63-3029B - ITC.
 - Refers to sections 46, 48 & 49 in the Internal Revenue Code as it existed prior to November 5, 1990.
- Tangible personal property, or
- Other tangible property, other than buildings or structural components.

Recapture

- If the equipment earning the credit is taken out of service or moved out of Idaho, the taxpayer must recapture a portion of the credit. Recapture is based on a declining schedule depending on how long the equipment is used.

Recapture, i.e. Repay

If the number of full years
on Form 49R, line 6 is...

Then the recapture
percentage is...

0	100
1	80
2	60
3	40
4	20
5 or more	0

What Forms Are Used?

- Idaho Form 68 is required to claim the credit.
- Form 68R is used to calculate and report any recapture.
- Form 44 summarizes all of the credits claimed and shows the amount used, the amount being carried forward, and any recapture.

What Forms Are Used? (cont.)

- Form 49 is used to claim the investment tax credit.
- Form 70 is required to put us on notice that the taxpayer intends to transfer (sell) a credit.

Form 68

FORM 68
EFO00038
03-17-14

IDAHO BROADBAND EQUIPMENT INVESTMENT CREDIT

2014

Name(s) as shown on return	Social Security Number or EIN
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CREDIT AVAILABLE SUBJECT TO LIMITATION

1. Amount of qualified investments in broadband equipment acquired during the tax year and approved by the Idaho Public Utilities Commission (PUC). <i>Include a complete list and approval from the Idaho PUC</i>	1	
2. Credit earned. Multiply line 1 by 3%	2	
3. Pass-through share of credit from a partnership, S corporation, estate or trust	3	
4. Credit received through unitary sharing. Include a schedule	4	
5. Credit received by transfer. Include Idaho Statement of Credit Transfer, Form 70	5	
6. Carryover of broadband equipment investment credit from prior years	6	
7. Carryover eliminated due to recapture in 2014. Enter the amount from Form 68R, line 13. Include Form 68R	7	
8. Credit distributed to partners, shareholders or beneficiaries	8	
9. Credit shared with unitary affiliates	9	
10. Credit transferred to another taxpayer. Include Form 70	10	
11. Total credit available subject to limitations. Add lines 2 through 6 and subtract lines 7 through 10	11	

Form 44

FORM 44
EFO00006
04-29-14

IDAHO BUSINESS INCOME TAX CREDITS AND CREDIT RECAPTURE

2014

Name(s) as shown on return	Social Security Number or EIN
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PART I — BUSINESS INCOME TAX CREDITS

		Credit Allowed	Carryover
1. Investment tax credit. Include Form 49	1		▪
2. Credit for production equipment using postconsumer waste.....	2		▪
3. Promoter sponsored event credit	3		
4. Credit for qualifying new employees. Include Form 55.....	4		▪
5. Credit for Idaho research activities. Include Form 67	5		▪
6. Broadband equipment investment credit. Include Form 68	6		▪
7. Incentive investment tax credit. Include Form 69	7		▪
8. Small employer investment tax credit. Include Form 83.....	8		▪
9. Small employer real property improvement tax credit. Include Form 84	9		▪
10. Small employer new jobs tax credit. Include Form 85.....	10		▪
11. Biofuel infrastructure investment tax credit. Include Form 71.....	11		▪
12. Total business income tax credits allowed. Add lines 1 through 11	12		

Form 49

FORM 49
EFO00030
07-15-14

IDAHO INVESTMENT TAX CREDIT

2014

Name(s) as shown on return	Social Security Number or EIN
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PART I -- CREDIT AVAILABLE SUBJECT TO LIMITATION

1. a. Amount of qualified investments acquired during the tax year. Include a complete list	1a	
b. Amount of investments for which you claimed the property tax exemption. Include Form 49E	1b	
c. Subtract line 1b from line 1a. This is the amount of qualified investments on which you may earn the investment tax credit	1c	
2. Credit earned. Multiply line 1c by 3%	2	
3. Pass-through share of credit from a partnership, S corporation, estate, or trust:		
a. Pass-through Entity Name	b. Pass-through Entity EIN	c. Pass-through Share of ITC
Total column c		3
4. Credit received through unitary sharing. Include a schedule	4	
5. Carryover of investment tax credit from prior years. Include Form 49C or other schedule	5	
6. Credit distributed to partners, shareholders, or beneficiaries	6	
7. Credit shared with unitary affiliates	7	
8. Total credit available subject to limitation. Add lines 2 through 5 and subtract lines 6 and 7	8	

Form 70

FORM 70
EFO00042
06-09-10

IDAHO STATEMENT OF CREDIT TRANSFER

Submit this form to the State Tax Commission at least 60 days prior to the date of transfer.

PART I

TRANSFEROR: Name _____
Address _____
Social Security Number or EIN _____
Signature of authorized individual _____
Title _____ Phone number _____
Date of transfer _____

PART II

TRANSFeree: Name _____
Address _____
Social Security Number or EIN _____

PART III

BROADBAND EQUIPMENT INVESTMENT CREDIT:

Amount to be transferred _____ Tax year(s) earned _____

Include a copy of Form 68 for each tax year the credit was earned. Include a copy of the complete list of property on which the credit was earned and a copy of the approval from the Idaho PUC.

Credits in Case of a Pass-through Entity – Partnerships and S Corporations

Each partner or shareholder receives a Schedule K-1 which reports their proportional share of:

- Idaho taxable income & expenses.
- Any credits or anything else that needs to be separately stated on their individual returns.

The above are reported on the partner's individual income tax return.

Business Credits

Number of 2012 business returns with credit claimed:

Investment Tax Credit (ITC)	1,927
Research Activity Credit	65
Broadband Investment Credit	13

Business Credits

Number of 2012 individual returns with credit claimed:

Broadband Investment Credit	24
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QUESTIONS?

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