

Form 68R
Recapture of Idaho Broadband Equipment
Investment Credit

Names as shown on return

Social Security number or EIN

Part I — Identify Property That Ceased to Qualify as Idaho Broadband Equipment Investment Credit Property

Properties	Property Description
A	
B	
C	
D	
E	

Part II — Original Idaho Broadband Equipment Investment Credit

	Properties				
	A	B	C	D	E
1. Date property placed in service	1				
2. Cost or other basis	2				
3. Credit percentage	3	3%	3%	3%	3%
4. Original credit. Multiply line 2 by line 3	4				
5. Date property ceased to qualify	5				
6. Number of full years between the date on line 1 and the date on line 5	6				

Part III — Computation of Recapture Tax

7. Recapture percentage from table in instructions	7				
8. Tentative recapture tax. Multiply line 4 by line 7	8				
9. Add line 8, columns A through E					9
10. Pass-through share of credit recapture from S corporations, partnerships, trusts, or estates					10
11. Add lines 9 and 10					11
12. Credit recapture distributed to shareholders, partners, or beneficiaries					12
13. Enter the portion of original credit not used to offset any tax. Don't include the amount of credit transferred. Don't enter more than line 11. The amount on this line reduces the carryover available to the current year. Enter on Form 68, line 7					13
14. Add lines 12 and 13					14
15. Recapture of broadband equipment investment credit. Subtract line 14 from line 11. Enter here and on Form 44, Part II, line 2. Don't use this amount to reduce the current year's broadband equipment investment credit computed on Form 68					15

General Instructions

Use Form 68R to compute the increase in tax and reduction to credit carryover for the recapture of broadband equipment investment credit. You must recompute the credit if you earned it in an earlier year but disposed of the property before the end of the five-year recapture period. You must also recompute the credit on any property ceasing to qualify as investment tax credit (ITC) property. Property moved from Idaho within the first five years ceases to qualify as ITC property and is subject to recapture.

Recapture may be necessary when:

- An S corporation shareholder’s interest is reduced by a sale, redemption, or other disposition of the shareholder’s stock, or when the corporation issues more shares.
- A partner’s proportionate interest in the general profits of the partnership (or in a particular item of property) is reduced.
- A trust’s, estate’s, or beneficiary’s proportionate interest in the income of the trust or estate is reduced.

An entity that passes broadband equipment investment credit through to its owners must provide them with a Form ID K-1. The form must show in Part XII, Supplemental Information, the recapture amount and include details on the years the credit being recaptured was originally earned.

Any resulting tax from recapture of credits claimed in prior years must be added to the tax otherwise determined in the year of recapture. Recapture of credits not claimed in prior years reduces the amount of credit carryover available to the current year.

Specific Instructions

Instructions are for lines not fully explained on the form.

Part I — Identify Property That Ceased to Qualify as Idaho Broadband Equipment Investment Credit Property

Describe the property you must recompute the broadband equipment investment credit for. Fill in lines 1 through 8 in Parts II and III for each property you’re recomputing the credit on. Use a separate column for each item. If you have broadband equipment investment credit recapture on more

than five items, use an additional Form 68R or other schedule with the same information as required on Form 68R.

Part II — Original Idaho Broadband Equipment Investment Credit

S corporations, partnerships, trusts, and estates that have credit subject to recapture must complete lines 1 through 9 to determine the amount of credit recapture.

Shareholders, partners, and beneficiaries will use the information provided by the S corporation, partnership, trust, or estate to report their pass-through share of the credit to be recaptured on line 10. If the only recapture you’re reporting is from a pass-through entity, skip lines 1 through 9 and begin on line 10.

Line 1. Enter the month, day, and year that the property was first available for service.

Line 2. Enter the cost or other basis of the property used to compute the original broadband equipment investment credit.

Line 4. Multiply line 2 by line 3 to compute the credit originally earned for each property listed.

Line 5. Enter the month, day, and year the property ceased to qualify as ITC property.

Line 6. Don’t enter partial years. If the property was held less than 12 months, enter zero.

Part III — Computation of Recapture Tax

Line 7. Enter the appropriate recapture percentage from the following table.

If the number of full years on Form 68R, line 6 is ...	Then the recapture percentage is...
0	100
1	80
2	60
3	40
4	20
5 or more	0

Line 9. Add all amounts on line 8. If you’ve used more than one Form 68R or separate sheets to list additional items you computed an increase in tax on, write to the left of the entry space “Tax from attached” and the total tax from the separate sheets. Include the amount in the total for line 9.

Line 10. Enter the amount of recapture of broadband equipment investment credit that's being passed to you from S corporations, partnerships, trusts, and estates. This amount is reported on Form ID K-1, Part VII, line 46 or Form ID K-1, Part XI, line 71 (Composite/ABE).

If recapture is necessary due to a reduction of a shareholder's proportionate stock interest in an S corporation, reduction in the interest in the general profits of a partnership, or reduction in the proportionate interest in the income of the trust or estate, include that recapture on line 10 as well.

Line 11. Add lines 9 and 10 to determine the amount of credit subject to recapture.

Line 12. If you're an S corporation, partnership, trust, or estate, enter the amount of credit recapture that passed through to shareholders, partners, or beneficiaries. Don't include any recapture on this line for shareholders, partners, or beneficiaries you're paying the tax for.

Line 13. If you didn't use all the credit you originally computed either in the year earned or in a carryover year, you won't have to pay tax from recapture of the amount of the credit you didn't use. However, you'll pay tax from recapture of credit transferred.

Compute the unused portion of the original credit from Form 68R, line 4, or that was passed through to you from an S corporation, partnership, trust, or estate on a separate sheet, and enter the amount on this line. Don't enter more than the tax from recapture on line 11. Don't include the amount of any credits transferred that must be recaptured.

Line 15. This is the total increase in tax. Enter it on this line and on Form 44, Part II, line 2. Don't use this amount to reduce your current year's broadband equipment investment credit from Form 68.

If you're an S corporation or partnership and you've elected to be an ABE, this amount also needs to be distributed to the shareholders or partners on their Form ID K-1.

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660
Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact