

Names as shown on return

Social Security number

**A. Additions. See instructions, page 27.**

1. Federal net operating loss deduction included on Form 40, line 7 .....	▪	1		00
2. Capital loss carryover incurred outside Idaho before becoming an Idaho resident .....	▪	2		00
3. Interest and dividends from non-Idaho state and local bonds .....	▪	3		00
4. Nonqualified withdrawal from an Idaho college savings account .....	▪	4		00
5. Bonus depreciation. Include federal Form 4562s Check the box if you have a current-year loss limitation. See instructions <input type="checkbox"/> .....	▪	5		00
6. Other additions. Include explanation .....	▪	6		00
7. Total additions. Add lines 1 through 6. Enter here and on Form 40, line 8 .....	▪	7		00

**B. Subtractions. See instructions, page 29.**

1. Idaho net operating loss carryover <input type="checkbox"/> _____ Idaho net operating loss carryback <input type="checkbox"/> _____ Enter total here .....	▪	1		00
2. State income tax refund, if included in federal income .....	▪	2		00
3. Interest from U.S. government obligations .....	▪	3		00
4. Energy efficiency upgrades Description _____ .....	▪	4		00
5. Alternative energy device deduction Year Acquired      Type of Device      Total Cost      Percentage				
a. 2024      \$      X      40%      =      5a      ▪      _____	▪			00
b. 2023      \$      X      20%      =      5b      ▪      _____	▪			00
c. 2022      \$      X      20%      =      5c      ▪      _____	▪			00
d. 2021      \$      X      20%      =      5d      ▪      _____	▪			00
e. Add lines 5a through 5d. Can't exceed \$5,000 .....	▪	5e		00
6. Child/dependent care. Complete worksheet on page 30. Also include federal Form 2441 .....	▪	6		00
7. Social Security and railroad benefits, if included in federal income .....	▪	7		00
8. Retirement benefits deduction. See instructions for qualifications.				
a. If single, enter \$45,864 or if married filing jointly, enter \$68,796 .....	▪	8a		00
b. Federal Railroad Retirement benefits received .....	▪	8b		00
c. Social Security benefits received .....	▪	8c		00
d. Line 8a minus lines 8b and 8c. If less than zero, enter zero .....	▪	8d		00
e. Qualifying retirement benefits included in federal income .....	▪	8e		00
f. Enter the smaller of line 8d or 8e here .....	▪	8f		00
9. Technological equipment donation .....	▪	9		00
10. Idaho capital gains deduction. Include Form CG .....	▪	10		00
11. Active-duty military pay earned outside of Idaho .....	▪	11		00
12. Adoption expenses .....	▪	12		00
13. Idaho medical savings account. Contributions _____ Interest _____ Financial institution _____ Account number _____ .....	▪	13		00
14. Idaho college savings program .....	▪	14		00
15. Home for the aged or developmentally disabled. Complete Part E, line 3 .....	▪	15		00
16. Idaho lottery winnings, less than \$600 per prize .....	▪	16		00
17. American Indians: Income you earned on a reservation .....	▪	17		00

Names as shown on return		Social Security number	
18. Health insurance premiums .....	▪	18	00
19. Long-term care insurance premiums .....	▪	19	00
20. Workers' compensation insurance premiums.....	▪	20	00
21. Bonus depreciation. Include Form 4562s .....	▪	21	00
22. First-time home buyer savings account. Contributions _____ Interest _____ Financial institution _____ Account number _____ ▪ <input type="checkbox"/> By checking the box, I attest that I'm a first-time home buyer. See instructions.	▪	22	00
23. Other subtractions. Include explanation .....	▪	23	00
24. Total subtractions. Add lines 1 through 4, 5e through 7, and 8f through 23. Enter here and on Form 40, line 10 .....	▪	24	00

**C. Credit for income tax paid to other states. See instructions, page 37.**

I'm claiming this credit for taxes paid to: \_\_\_\_\_ (State name)

1. Idaho tax, Form 40, line 20. Enter amount here .....	1	00	Include a copy of the income tax return and a <b>separate Form 39R</b> for each state you're claiming a credit for.
2. Federal adjusted gross income earned in other state and <b>both</b> states taxed, adjusted for Idaho modifications. See instructions .....	2	00	
3. Idaho adjusted income. See instructions .....	3	00	
4. Divide line 2 by line 3. Enter percentage here .....	4	%	
5. Multiply line 1 by line 4. Enter amount here .....	5	00	
6. Other state's tax due minus its income tax credits. See instructions .....	6	00	
7. Enter the smaller of lines 5 or 6 here and on Form 40, line 22 .....	7	00	

**D. Credits for contributions to Idaho educational entity and Idaho youth and rehabilitation facilities, and expenses for live organ donation. See instructions, page 37.**

1. Credit for contributions to Idaho educational entities .....	1	00
2. Credit for contributions to Idaho youth and rehabilitation facilities .....	2	00
3. Credit for live-organ donation expenses .....	3	00
4. Total credits. Add lines 1 through 3. Enter total here and on Form 40, line 23 .....	4	00

**E. Maintaining a home for a family member age 65 or older or a family member with a developmental disability. See instructions, page 39.**

- Did you maintain a home for an immediate family member age 65 or older (not including you and your spouse) and provide more than one-half of that person's support? .....  Yes  No
- Did you maintain a home for an immediate family member with a developmental disability (including you and your spouse) and provide more than one-half of that person's support? ..  Yes  No
- List each family member you're claiming:

Family Member's Name First Name Last Name	Family Member's Social Security Number	Relationship to Person Filing Return	Family Member's Birthdate (mm/dd/yyyy)	Check Here if Developmentally Disabled
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

4. Total amount claimed (\$100 for each qualifying member but not more than \$300). Enter here and on Form 40, line 44 .....	4	00
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**F. Dependents: (Continued from Form 40, page 1, line 6)**

First Name	Last Name	Social Security Number	Birthdate (mm/dd/yyyy)

- If you're filing Form 40, complete this Form 39R.
- If you're filing Form 43, complete a Form 39NR.

**Part A — Additions**

**Line 1 Federal Net Operating Loss (NOL) Deduction**

Generally, the amount the IRS allows for a NOL carryover isn't the same amount Idaho allows. Enter any NOL carryover from your federal return. You'll claim the allowable Idaho NOL carryover as a subtraction on Part B, line 1.

**Line 2 Capital Loss Carryover**

If you claimed a capital loss or carryover from activities that Idaho doesn't tax or before you became an Idaho resident, enter the amount used in calculating your net capital gain or loss reported on your federal Schedule D.

Use the worksheet below to calculate your Idaho capital gain (loss) and capital loss carryover.

**Tax Year \_\_\_\_\_ Idaho Capital Gain or Loss Adjustment Worksheet Schedule D**

*Don't complete this worksheet if all of your Idaho gains (losses) are the same as your federal gains (losses).*

List the Form 1099-B transactions reported on federal Schedule D, Part I, lines 1a through 3, and Part II, lines 8a through 10 that you sold after you became an Idaho resident. If you don't have any Form 1099-B transactions for the current tax year, go to line 2.

(a) Description of property Example: 100 shares of "XYZ" Co.	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss)

If you have additional transactions, list on a Supplemental Schedule and enter the total gain or (loss) in column (f).

1. Total gain/(loss) .....	1	
2. Enter the total gain/(loss) amounts that are Idaho-source on the following lines:		
a. Schedule D, Line 4 _____		
b. Schedule D, Line 5 _____		
c. Schedule D, Line 11 _____		
d. Schedule D, Line 12 _____		
Combine the amounts from a, b, c, and d. Enter the total amount .....	2	
3. Enter the total capital gain distributions (federal Form 1099-DIV, box 2a) you received as an Idaho resident .....	3	
4. Idaho capital loss carryover from prior year, if any .....	4	
5. Tax year _____. Total Idaho gain (loss). Combine lines 1, 2, 3, and 4. If a (loss), go to line 6. If a gain, go to line 7 .....	5	
6. Enter the smaller loss of either: • the (loss) on line 5. • (\$3,000) for married, qualifying widow(er) or head of household. • (\$1,500) if single or married filing separately .....	6	
7. Enter the Idaho gain from line 5 or (loss) from line 6 .....	7	
8. Enter the (loss - if any) from federal Form 1040 or 1040-SR, line 7. If no loss reported, enter zero .....	8	
9. Subtract line 8 from line 7. Enter the difference here and on Form 39R, Part A, line 2 .....	9	

**Idaho Capital Loss Carryover Worksheet**

**Tax Year** \_\_\_\_\_

If the line 5 loss from the Idaho Capital Gain or Loss Adjustment Worksheet is more than (\$3,000) or (\$1,500 for MFS and Single), subtract line 6 from line 5. This is your Idaho capital loss carryover ..... \_\_\_\_\_

**Keep copies of your Idaho Capital Gain or Loss Adjustment Worksheets for your records.**

Example: For the current tax year you reported capital loss carryovers totaling \$40,000 that you incurred before moving to Idaho. You use these to offset \$26,000 of Idaho capital gains earned in the current year, resulting in a capital loss of \$3,000 allowed on the federal return. For the current tax year, you must add back \$29,000 on line 2 (\$26,000 gain offset plus \$3,000 loss allowed). You must add back the remainder of the \$11,000 loss carryover in future years, to the extent allowed as a loss and used to offset gain.

**Line 3 Non-Idaho State and Local Bond Interest and Dividends**

Enter the amount of interest and dividends, minus related expenses, that you received from municipal bonds of other state governments, their counties, and their cities, or from obligations of any foreign country. This isn't income you report on your federal return.

This includes your distributive share of interest and dividends not taxable under the Internal Revenue Code (IRC) from Form ID K-1, Part IV, Column B, line 21. Don't include the interest income from Idaho municipal securities reported on Form ID K-1, Part IV, Column B, line 24.

**Line 4 Idaho College Savings Account Withdrawal**

If you made a nonqualified withdrawal from an Idaho college savings account, enter the amount withdrawn less any amounts reported on your federal Form 1040 or 1040-SR.

Include withdrawals from Idaho college savings programs you transferred to a qualified program that another state operates, or to a qualified Achieving a Better Life Experience (ABLE) program.

The amount added back is limited to your contributions deducted in the year of transfer and the previous tax year.

**Line 5 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 calculation for Idaho depreciation purposes as if you hadn't claimed the special depreciation allowance.
- Calculate the Idaho adjusted basis and any gains or losses from the sale or exchange of the property using the Idaho depreciation amounts.
- If the federal depreciation (including gains and losses) is more than the Idaho depreciation (including Idaho gains and losses), include the difference on this line; otherwise, enter the difference on Part B, line 21.

Include on this line your distributive share of bonus depreciation from Form ID K-1, Part IV, Column B, line 22.

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

If you have a current-year loss limitation for the following:

- At Risk (IRC Section 465)
- Passive Loss (IRC Section 469)
- Partnership Basis (IRC Section 704(d))
- Shareholder Basis (IRC Section 1366(d))

Check the box and include Form DBDA.

**Line 6 Other Additions**

**Retirement Plan Lump-sum Distributions**

Enter the taxable amount of a lump-sum distribution from a retirement plan reported on federal Form 4972. The amount that Idaho taxes includes the ordinary income portion and the amount eligible for the federal capital gain election.

**Partner and Shareholder Additions**

Include on this line the additions from Form ID K-1, Part IV, Column B, lines 20 and 23.

**Idaho Medical Savings Account Withdrawals**

Idaho taxes withdrawals from an Idaho medical savings account that you don't use to pay eligible medical expenses. Report this amount as an other addition. Eligible medical expenses include medical care, vision care, dental care, medical insurance premiums, and long-term care expenses.

A penalty applies to taxable withdrawals you make when you're under age 59 1/2. The penalty is 10% of the amount withdrawn. Report the penalty

on Form 40, line 52, and check the box for an unqualified withdrawal.

**First-time Home Buyer Savings Account Withdrawals**

Idaho taxes withdrawals from an Idaho first-time home buyer savings account that you don't use to pay eligible home costs. Report this amount as an other addition. Eligible home costs include:

- Down payment for the purchase of an Idaho home
- Costs, fees, taxes, or payments for the purchase of an Idaho home

**Non-Idaho Passive Losses**

If you claimed a passive loss you incurred from activities that Idaho doesn't tax or before you became an Idaho resident, enter the amount from your federal return.

**Emergency Rental Assistance**

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 relief.

**Part B — Subtractions**

**Line 1 Idaho Net Operating Loss (NOL) Carryover and Carryback**

Enter the Idaho NOL carryover. Include Form 56 or a schedule showing the application of the loss.

If this is an amended return to claim an NOL carryback, enter the amount of the NOL carryback. Include Form 56 or a schedule showing the application of the loss.

Enter the total of the NOL carryover and carryback amounts.

**Line 2 State Income Tax Refund**

If you itemized your deductions on federal Form 1040, enter the amount of all state income tax refunds and state tax rebates included in income on federal Schedule 1, line 1.

**Line 3 Interest from U.S. Government Obligations**

Idaho doesn't tax interest income you received from U.S. government obligations. Deduct any U.S. government interest included in federal adjusted gross income, Form 40, line 7. 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 received 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 that's attributable to direct U.S. government obligations. The mutual fund must identify this amount for it to be deductible.

This includes your distributive share from Form ID K-1, Part IV, line 25.

**Line 4 Energy Efficiency Upgrade**

To qualify for this deduction, your Idaho residence must:

- Have existed, been under construction, or had a building permit issued on or before January 1, 2002
- Be your primary residence

Energy efficiency upgrade means an energy efficiency improvement to your residence's envelope or duct system that meets or exceeds the minimum value for the improved component established by the version of the International Energy Conservation Code (IECC) in effect in Idaho during the tax year you made the improvement. Contact the Idaho Division of Building Safety at [dbs.idaho.gov](https://dbs.idaho.gov) for more information.

Examples of energy efficiency upgrades include:

- Insulation that's added to existing insulation. Insulated siding doesn't qualify unless the cost of the siding and the insulating material are stated separately. The cost of the insulating material is the only thing that qualifies.

- Windows that replace less efficient existing windows.
- Storm windows.
- Weather stripping and caulking.
- Duct sealing and insulation. Duct sealing requires mechanical fastening of joints and mastic sealant.

The amount charged for labor to install the energy efficiency upgrades also is deductible.

Enter the energy efficiency upgrade installed in your Idaho residence. If you have more than one upgrade, enter multiple. Enter the total amount on line 4.

**Line 5 Alternative Energy Device Deduction**

If you install an alternative energy device in your Idaho residence, you can deduct a portion of the amount actually paid or accrued (billed but not paid).

In the year the device is placed in service, you can deduct 40% of the cost to construct, reconstruct, remodel, install, or acquire the device, but not more than \$5,000.

In the three years after installation, you can deduct 20% of these costs per year, but not more than \$5,000 in any year.

Qualifying devices include:

- A system using solar radiation, wind, or geothermal resource primarily to provide heating or cooling or produce electrical power or any combination thereof.
- A fluid-to-air heat pump operating on a fluid reservoir that solar radiation or a geothermal resource heats. An air-to-air heat pump doesn't qualify unless it uses geothermal resources as part of the system.
- A natural gas or propane heating unit that replaces a noncertified wood stove.
- An Environmental Protection Agency (EPA)-certified wood stove or pellet stove meeting the most current industry and state standards that replaces a noncertified wood stove.

A noncertified wood stove is one that doesn't meet the most current EPA standards. You must take the noncertified wood stove to a site that the Idaho Division of Environmental Quality (DEQ) authorizes within 30 days from the date of purchasing of the qualifying device. The DEQ will give you a receipt to verify it received and destroyed the noncertified wood stove.

You must install the natural gas or propane heating unit or the EPA-certified wood stove or pellet stove in the same tax year that you surrender the nonqualifying wood stove to the DEQ.

**Lines 5a – 5d**

Complete the lines that apply to the year you acquired the device. For example, if you acquired the device in 2020, complete line 5d. Enter the device type and total cost. Multiply the total cost by the appropriate percentage. Line 5e can't be more than \$5,000.

**Line 6 Child and Dependent Care**

If you claimed the federal Credit for Child and Dependent Care Expenses, you can take an Idaho deduction for the child care expenses you paid for your dependents. The Idaho deduction is a different amount than the federal credit.

Complete this worksheet to determine your Idaho deduction. See federal Form 2441 to determine amounts to enter on lines 1 through 6.

**Worksheet**

1. Enter the amount of qualified expenses you incurred and paid in 2024. Don't include amounts paid by your employer or excluded from taxable income ..... \_\_\_\_\_
2. Enter \$12,000 for one or more children or dependents cared for during the year. \_\_\_\_\_
3. Enter excluded benefits from Form 2441, Part III ..... \_\_\_\_\_
4. Subtract line 3 from line 2. If zero or less, stop. You can't claim the deduction ..... \_\_\_\_\_
5. Enter your earned income ..... \_\_\_\_\_
6. If married filing a joint return, enter your spouse's earned income. All others enter the amount from line 5 ..... \_\_\_\_\_
7. Enter the smallest of lines 1, 4, 5, or 6 here and on Form 39R, Part B, line 6 ..... \_\_\_\_\_

**Include federal Form 2441, Child and Dependent Care Expenses, with your return.**

**Line 7 Social Security and Railroad Benefits**

Deduct the portion of your Social Security benefits, benefits that the Railroad Retirement Board pays, or Canadian Social Security benefits (OAS, QPP or CPP) that's taxable on your federal return.

Exempt payments from the Railroad Retirement Board include:

- Retirement, supplemental, and disability annuities.
- Unemployment and sickness benefits

Enter the taxable amount of:

- Social Security benefits from Form SSA-1099.
- Social Security equivalent railroad benefits from Form RRB-1099 included on your federal Form 1040 or 1040-SR, line 6b.

Don't enter the amount from Form 1040 or 1040-SR, line 6a.

Enter the taxable amount of non-Social Security equivalent railroad benefits from Form RRB-1099R from your federal Form 1040 or 1040-SR, line 5b. Don't enter the amount from Form 1040 or 1040-SR, line 5a.

If subtracting benefits from the Railroad Retirement Board, you must include Form RRB-1099 or RRB-1099-R with your return.

Disability pension that the federal Railroad Retirement Act paid might be included as wages on Form 1040 or 1040-SR, line 1 if you're under the minimum retirement age.

### Line 8 Retirement Benefits Deduction for Qualified Retirement Benefits

You might be able to deduct some of the qualifying retirement benefits and annuities you receive.

The Idaho Retirement Benefits Deduction has a two-part qualification. You must qualify for **both parts** to receive this deduction.

#### Part One – Age, Disability, and Marital/Filing Status

The recipients must be at least age 65 or be classified as disabled and be at least age 62.

The following individuals are classified as disabled:

- An individual recognized as disabled by the Social Security Administration, the Railroad Retirement Board, or the Office of Management and Budget
- A veteran of a U.S. war with a service-connected disability rating of 10% or more
- A veteran of a U.S. war with a nonservice-connected disability pension
- A person who has a physician-certified permanent disability with no expectation of improvement

If you're married, you can't claim this deduction if you file separately.

If you're an unremarried widow or widower of a pensioner and receive qualifying survivor benefits, you might be eligible to claim the retirement benefit deduction if you meet the age/disability requirements.

#### Part Two – Qualified Retirement Benefits

The recipients must meet the requirements in Part One, **and** their qualified retirement benefits must be one of the following:

- **Civil Service Employees:** Retirement annuities paid by the U.S. Civil Service Retirement System (CSRS), the Foreign Service Retirement and Disability System (FSRDS), or the offset programs of these two systems.
  - To qualify for the deduction, the employee must have established eligibility before 1984.
  - Retirement annuities paid to a retired federal employee under the Federal Employees Retirement System (FERS) **don't** qualify for the deduction.

You can tell if your benefits are paid under the CSRS or FERS by looking at the first digit of the account number on your CSA-1099, if you received one.

- If the first digit is 0, 1, 2, 3, or 4, the benefits are paid out of CSRS.
- If the first digit is 7 or 9, the benefits are paid out of FERS and don't qualify.
- If the first digit is 8, look at your Notice of Annuity Adjustment from the Office of Personnel Management. The notice shows how much of your benefits are paid from CSRS and how much are paid from FERS. Only the portion paid from CSRS qualifies for this deduction.
- **Idaho Firefighters:** Retirement benefits paid by the Public Employee Retirement System of Idaho (PERSI) relating to the Firemen's Retirement Fund. If you received a 1099R and your account number includes the FRF (Firemen's Retirement Fund) designation, your benefits might qualify for the deduction. Benefits paid out of the PERSI Base Plan don't qualify for the deduction.
- **Police Officers of an Idaho City:** Retirement benefits paid from the Policemen's Retirement Fund that no longer admits new members

and, on January 1, 2012, was administered by an Idaho city or PERSI. Also, benefits that PERSI paid relating to Idaho police officer employment not included in the federal Social Security retirement system. For example, benefits paid out of the city police retirement funds for the cities of Coeur d'Alene, Lewiston, and Pocatello might qualify for the deduction. Similarly, benefits that PERSI paid relating to the old Idaho Falls Policemen's Retirement Fund might qualify for the deduction. If you received a 1099R and your account number includes the IFP (Idaho Falls Police) designation, your benefits might qualify. Benefits paid out of the PERSI Base Plan don't qualify for the deduction.

- **Service Members:** Retirement benefits that the United States paid to a retired member of the U.S. military.

Disability pension that the federal Railroad Retirement Act paid might not be included on your Form RRB-1099 or RRB-1099-R, if you're under the minimum retirement age. Instead it might be included on Form 1040 or 1040-SR, line 1 as wages.

**Line 8a** The maximum amounts you can deduct for 2024 are:

**Married filing jointly:**

- Recipient age 65 or older ..... \$68,796
- Recipient age 62 or older and disabled ... \$68,796

**Single:**

- Age 65 or older ..... \$45,864
- Age 62 or older and disabled ..... \$45,864

The retirement benefits you and your spouse received under the federal Social Security Act and the federal Railroad Retirement Act further reduce these maximum amounts.

The amount deducted can't be more than the amount of qualified benefits included in federal income.

**Line 8b.** Enter the amount of retirement benefits you (and your spouse) received under the federal Railroad Retirement Act.

Include **all** of these on this line:

- The net Social Security equivalent benefit portion from federal Form RRB-1099, Box 5.
- The "total gross paid" amount from federal Form RRB-1099-R, Box 7, minus any repayment from Box 8.

- Any railroad retirement disability benefit included as wages on federal Form 1040 or 1040-SR, line 1.

**Line 8c.** Enter the amount of retirement benefits you (and your spouse) received under the federal Social Security Act, Box 5 of your Form SSA-1099s. If you or your spouse received Canadian Social Security benefits that you included in your federal taxable income, also include those amounts.

**Line 9 Technological Equipment Donation**

Enter the lesser of cost or fair market value of technological equipment donated to one or more of these 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. You can't carry any unused deduction to another year.

Include your distributive share from the appropriate column of Form ID K-1, Part IV, line 26. The deduction from a pass-through entity can't be more than the amount of pass-through income minus deductions of the entity making the contribution.

**Line 10 Idaho Capital Gains Deduction**

You might be able to deduct 60% of the capital gain net income reported on federal Schedule D from the sale of any of the qualified Idaho property described below.

- (a) Real property held for at least 12 months, or
- (b) Tangible personal property used in a revenue-producing enterprise and held for at least 12 months. A revenue-producing enterprise means:
  - Producing, assembling, fabricating, manufacturing, or processing any agricultural, mineral, or manufactured product.
  - Storing, warehousing, distributing, or selling at wholesale any products of agriculture, mining, or manufacturing.
  - Feeding livestock at a feedlot.
  - Operating laboratories or other facilities for scientific, agricultural, or animal husbandry, or industrial research, development, or testing.



- (c) Cattle and horses held for at least 24 months and other livestock used for breeding held for at least 12 months.
- (d) Timber held for at least 24 months.
- (e) Certain sales of partnership interests. See Idaho Code 63-3022H(3)(f) for more information.

**Note:** Gains from the sale of stocks, goodwill, and other intangibles don't qualify.

Complete Idaho Form CG to calculate your capital gains deduction.

### Line 11 Active Duty Military Pay Earned Outside of Idaho

If you're serving in the U.S. military on active-duty that's continuous and uninterrupted for 120 days, Idaho doesn't tax your active-duty military wages for service outside of Idaho. The continuous 120 days don't have to be in the same tax year. Enter your nontaxable military wages.

Don't include military wages earned while stationed in Idaho. Your W-2 doesn't show this amount separately, and you might have to calculate the amount of income earned outside of Idaho. You should see your unit of assignment or use your orders in making the calculation. Include a copy of your worksheet.

National Guard or Reserve pay, including annual training pay, generally doesn't qualify as active-duty pay unless you've been called into full-time duty for 120 days or more. However, your active-duty military wages earned outside Idaho qualify for this deduction if **both** of these are true:

- You're a commissioned officer of the Public Health Service or of the National Oceanic and Atmospheric Administration militarized by the President of the United States.
- You're attached to the armed forces.

If this is true, enter your active-duty wages earned outside Idaho on this line.

### Line 12 Adoption Expenses

You can deduct some expenses related to the adoption of a child.

- You can claim legal and medical expenses up to a maximum of \$10,000 per adoption.
- If you incur expenses in two or more years, deduct the costs in the year paid until you meet the \$10,000 limit.

Travel expenses don't qualify.

Expenses related to an unsuccessful attempt to adopt don't qualify. If you claim expenses in a year before you find the adoption won't succeed, file an amended return to add back any deduction claimed for the unsuccessful attempt.

### Line 13 Idaho Medical Savings Account Contributions and Interest

You can contribute up to \$10,000 (\$20,000 if married filing a joint return) to an Idaho medical savings account and deduct the contribution. You **can't** deduct:

- Reimbursements redeposited into your Idaho medical savings account.
- Amounts deducted on federal Form 1040 or 1040-SR.

An Idaho medical savings account is generally established with a bank, savings and loan, or credit union. You establish the account to pay the eligible medical expenses for you as the account holder and your dependents.

On this line include:

- Your qualifying contributions.
- Interest earned on the account, but only if it's on Form 40, line 7.

Enter the name of the financial institution and your account number in the spaces provided.

### Line 14 Idaho College Savings Program

You can deduct up to \$6,000 (\$12,000 if married filing a joint return) per year in contributions to accounts in the Idaho College Savings Program (IDeal).

Contributions to an out-of-state college savings program don't qualify.

Designate the account owner and beneficiary at the time you establish the account. The account owner can make withdrawals for a qualified education expense for the beneficiary as provided in 26 U.S.C. section 529. Whoever withdraws the money must report it as income. Find more information at [idsaves.org](http://idsaves.org) or by calling toll free (866) 433-2533.

### Line 15

You can claim no more than three deductions of \$1,000. If you claim this deduction, you can't claim the \$100 credit in Part E.

**Home for the Aged**

You can deduct \$1,000 for each family member age 65 or older (*not including* yourself or your spouse) for whom you do **both** of these:

- Maintain a household for.
- Provide more than one-half of that family member's support for the year.

**Developmentally Disabled**

You can deduct \$1,000 for each family member who's developmentally disabled, *including* yourself and your spouse, for whom you do **both** of these:

- Maintain a household for.
- Provide more than one-half of this family member's support for the year.

Developmental disability means a chronic disability that meets **all** of these requirements:

- It's attributable to an impairment such as:
  - An intellectual disability
  - Cerebral palsy
  - Epilepsy
  - Autism
  - Other condition found to be closely related to or similar to, one of these impairments
- Results in substantial functional limitation in three or more of these areas of life activity:
  - Self-care
  - Receptive and expressive language
  - Learning
  - Mobility
  - Self-direction
  - Capacity for independent living
  - Economic self-sufficiency
- Reflects the need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and individually planned and coordinated.

If you maintained the home for the family member for less than a full year, you can take a deduction of \$83.33 for each month you maintained the home.

A family member is any person who meets the relationship test to be claimed as a dependent on income tax returns. See the federal Form 1040 instructions for more information.

Maintaining a household means paying more than one-half of the expenses incurred for the benefit

of all the household's occupants. Social Security benefits aren't support provided by you but must be included in the calculation of total support provided. Some examples of expenses of maintaining a household include:

- Property taxes
- Mortgage interest
- Rent
- Utility charges
- Upkeep and repairs
- Property insurance
- Food consumed on the premises

**Line 16 Idaho Lottery Winnings**

You can deduct Idaho lottery prizes of less than \$600 per prize included in federal adjusted gross income on Form 40, line 7. You can't deduct lottery prizes from other states.

**Line 17 Income an American Indian Earned on a Reservation**

You can deduct all your income from working on the reservation only when you meet **all** these criteria:

- You're enrolled in a federally recognized tribe.
- You live and work on a reservation.
- You included the earned income on Form 40, line 7 of your tax return.

You **can't** deduct either of these:

- Income earned off a reservation
- Income earned on a reservation, if you live off a reservation

**Line 18 Health Insurance Premiums**

Deduct premiums you paid for health insurance for yourself, your spouse, and your dependents if those premiums haven't already been deducted or excluded from your income.

If you claimed a deduction for health insurance premiums on your federal Form 1040 or 1040-SR, Schedule A, use the worksheet on page 35 to calculate the Idaho deduction. The worksheet follows the priority that itemized deductions first apply to health insurance premiums and then to long-term care insurance.

**Idaho Medical Savings Account**

You can't take the deduction for money you take from your Idaho medical savings account to pay health insurance premiums. This is because you've already deducted health insurance costs, or they've already been accounted for.

**Salary Reduction Plans**

You can't include premiums paid through a cafeteria plan or other salary-reduction arrangement in the Idaho deduction for health insurance costs. For example, health insurance payments deducted from your paycheck pretax don't qualify for the deduction.

**Business Deductions**

You can't include in this Idaho deduction the premiums you already deducted as a business expense. This includes self-employed health insurance premiums deducted in arriving at federal adjusted gross income.

**Social Security Medicare A, B, and D**

**Medicare A**

- Generally, you can't deduct the amount paid for employer-required Social Security Medicare A. This is the amount listed as a deduction on almost every federal Form W-2.
- You can deduct premiums for Medicare A if you voluntarily enrolled, or if you aren't covered under Social Security.

**Medicare B and D**

- You can deduct the premiums for Medicare B, D, or both if you voluntarily enrolled.

**Idaho Standard Deduction**

If you use the Idaho standard deduction instead of itemizing your deductions for Idaho purposes, you don't have to reduce your health insurance costs by any amount claimed as a federal itemized deduction.

**Federal Itemized Deduction Limitations**

Reduce the amount of medical expenses allowed as a deduction on federal Form 1040 or 1040-SR, Schedule A, by 7.5% of adjusted gross income.

**Line 19 Long-term Care Insurance Premiums**

You can deduct premiums you paid for qualified long-term care insurance that you haven't otherwise deducted or accounted for. If you claimed a deduction for long-term care insurance on your federal Form 1040 or 1040-SR, Schedule A, use the following worksheet to calculate the long-term care insurance allowed as an Idaho deduction.

Qualified long-term care insurance includes any insurance policy that provides coverage for at least 12 consecutive months for yourself, your spouse, or your dependents for one or more necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services provided in a setting other than an acute care unit of a hospital.

Group and individual annuities and life insurance policies that directly provide or supplement long-term care insurance qualify. This includes a policy that provides for payment of benefits based on cognitive impairment or loss of functional capacity.

Qualified long-term care insurance doesn't include any insurance policy that's offered primarily to provide coverage for any of these:

- Basic Medicare supplement
- Basic hospital expense
- Basic medical surgical expense
- Hospital confinement indemnity
- Major medical expense
- Disability income or related asset protection
- Accident only
- Specified disease or specified accident
- Limited benefit health

Life insurance policies that accelerate death benefits generally don't qualify.

**Worksheet**

This worksheet shows how the federal limitation affects the amount of health insurance costs deductible for Idaho purposes.

If you aren't itemizing deductions for Idaho, skip lines 1-6 and enter zeros on lines 8, 12, and 13.

**Health Insurance and Long-term Care Insurance Deduction Limitations**

1. Amount claimed for health insurance costs on federal Form 1040 or 1040-SR, Schedule A ..... \_\_\_\_\_
2. Amount claimed for long-term care insurance on federal Form 1040 or 1040-SR, Schedule A ..... \_\_\_\_\_
3. Additional medical expenses claimed on federal Form 1040 or 1040-SR, Schedule A ..... \_\_\_\_\_
4. Total medical expenses. Add lines 1, 2, and 3 ..... \_\_\_\_\_
5. Enter 7.5% of federal adjusted gross income ..... \_\_\_\_\_
6. Medical expense deduction allowed on federal Form 1040 or 1040-SR, Schedule A. (Subtract line 5 from line 4. If less than zero, enter zero.) ..... \_\_\_\_\_

**Health Insurance**

- 7. Enter the total paid for health insurance ..... \_\_\_\_\_
- 8. Portion of health insurance deduction allowed on federal Form 1040 or 1040-SR, Schedule A. Enter the lesser of lines 1 or 6 ..... \_\_\_\_\_
- 9. Enter the total health insurance costs deducted elsewhere on the federal return .... \_\_\_\_\_
- 10. Idaho health insurance deduction allowed. Subtract lines 8 and 9 from line 7. Enter this amount on Form 39R, line 18 .... \_\_\_\_\_

**Long-term Care Insurance**

- 11. Enter the total paid for long-term care insurance ..... \_\_\_\_\_
- 12. Medical expense deduction not allocated to health insurance costs. Subtract line 1 from line 6. If less than zero, enter zero ..... \_\_\_\_\_
- 13. Portion of long-term care insurance deduction allowed on federal Form 1040 or 1040-SR, Schedule A. Enter the lesser of lines 2 or 12 ..... \_\_\_\_\_
- 14. Enter the total long-term care insurance costs deducted elsewhere on the federal return ..... \_\_\_\_\_
- 15. Long-term care insurance deduction allowed. Subtract lines 13 and 14 from line 11. Enter the amount on Form 39R, line 19 \_\_\_\_\_

**Line 20 Workers' Compensation Insurance Premiums**

A self-employed individual can deduct the actual amount paid for workers' compensation insurance coverage in Idaho, if the cost isn't deducted elsewhere.

**Line 21 Bonus Depreciation**

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

- Complete a separate federal Form 4562 or detailed calculation for Idaho depreciation purposes as if you hadn't claimed the special depreciation allowance.
- Calculate the Idaho adjusted basis and any gains or losses from the sale or exchange of the 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 on this line; otherwise, enter the difference on Part A, line 5.

Include on this line your distributive share of bonus depreciation from Form ID K-1, Part IV, Column B, line 27.

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

**Line 22 First-time Home Buyer Savings Account**

You can contribute up to \$15,000 (\$30,000 if married filing a joint return) to a first-time home buyer savings account and deduct the contribution. Deposits into the account can't exceed \$100,000 for the lifetime of the account.

A first-time home buyer savings account is established in Idaho with a bank, savings and loan association, credit union, or trust company authorized to act as a fiduciary. The account is established to pay the eligible home costs of the account holder or to reimburse the account holder's eligible home costs in connection with a qualified home purchase.

Include interest earned on the account on line 22 but only if included on Form 40, line 7. Interest earned on the account is tax deferred if the funds are used for a qualified home purchase. Enter the name of the financial institution and your account number in the spaces provided.

Check the box to attest that you're a first-time home buyer. A first-time home buyer means an individual who is **all** of these:

- Resides in Idaho
- Has filed an Idaho income tax return for the most recent tax year
- Doesn't own, either individually or jointly, a single-family or multi-family residence
- Has never owned or purchased, either individually or jointly, a single-family residence in any location

**Line 23 Other Subtractions**

Identify any other subtraction you're eligible for, and claim the amount on this line.

Include:

- Your distributive share of other subtractions from Form ID K-1, Part IV, Column B, line 28
- Charitable contributions not allowed on the federal return because of federal NOL limitations

- Interest from Idaho Build America Bonds included in federal adjusted gross income, Form 40, line 7
- Amounts included in taxable income for funds received or loans forgiven according to Public Laws 116-136, 116-139, and 116-142 for COVID relief

Don't include:

- Income earned in another state as a subtraction
- Foreign taxes as a subtraction, since they're claimed as part of the Idaho itemized deduction, if allowable
- Any interest from non-Idaho Build America Bonds

See the instructions for **Itemized or Standard Deductions**.

### Part C — Credit for Income Tax Paid to Other States

When both Idaho and another state tax the same income, you might qualify for a credit for tax paid to the other state. Use this section to calculate the credit. You must include a copy of the other state's income tax return and Form 39R. If the credit applies to more than one state, use a separate Form 39R for each state.

You might qualify for a credit for tax that a pass-through entity (PTE) paid to another state on your behalf. The PTE should report that payment information to you. Include a copy of Form ID K-1. Examples of income that both Idaho and another state might tax include:

- Wages earned in another state that has an income tax, such as Oregon or Utah, while living in Idaho
- Income from a business or profession earned in another state that has an income tax, while a resident of Idaho

**Line 1.** Enter the tax shown on Form 40, line 20.

**Line 2.** Enter the total portion of federal adjusted gross income derived in the other state, modified to reflect Idaho additions and subtractions. In calculating the income derived in the other state, you must reverse any adjustments to federal taxable income that the other state allows but Idaho doesn't.

Enter your adjusted gross income from the other state restated to a basis comparable to Idaho

adjusted income. For example, if the other state taxes interest received from U.S. obligations, deduct this amount from the other state's adjusted gross income since Idaho doesn't tax this interest.

If your income derived in the other state includes income from an S corporation, partnership, trust, or estate, enter your share of the entity's taxable income correctly reported to the other state. Also include any other Idaho adjusted gross income from sources in the other state.

**Line 3.** Enter your Idaho adjusted income from Form 40, line 11, if you reported the double-taxed income on an individual income tax return in the other state. However, if the double-taxed income was reported to the other state and taxed as part of an S corporation or partnership composite or group return, enter your federal adjusted income from Form 40, line 7.

**Line 4.** Divide line 2 by line 3. Round to four digits to the right of the decimal point. For example, you'd round .66666 to .6667 and enter it as 66.67%.

**Line 6.** Enter the other state's tax due from its tax table or rate schedule minus its income tax credits. Don't subtract state and local tax (SALT) workaround payments or credits.

If your income derived in the other state was reported on a composite or group return that an S corporation or partnership filed, enter your proportionate share of the tax that the S corporation or partnership paid, minus your proportionate share of the income tax credits. Income tax credits are those credits that relate to income tax excluding SALT workaround payments or credits. An example of a credit that isn't an income tax credit is a special fuels or gasoline tax credit or refund.

**Line 7.** Your allowable credit for tax paid to other states is the smaller of lines 5 or 6. Enter this amount on Form 40, line 22. This credit can't exceed the Idaho tax due on Form 40, line 21.

**Part D — Credits for Idaho Educational Entity and Idaho Youth and Rehabilitation Facility Contributions, and Live Organ Donation Expenses**

**Line 1 Credit for Idaho Educational Entity Contributions**

If you donated cash to a qualified educational entity, you can claim a tax credit. Donation of goods or services don't qualify. Include amounts from Form ID K-1, Part VIII, line 50 to calculate the credit amount.

The credit is limited to the smallest of:

- One-half of the amount donated
- 50% of the tax on Form 40, line 21
- \$500 (\$1,000 on a joint return)
- The tax on Form 40, line 21 less the amount on Form 40, line 22

If you have credit from an ABE (Form ID K-1, Part XI, line 59), you can add that to the amount calculated above (if any). The total credit is limited to the smaller of:

- 50% of the tax on Form 40, line 21
- \$500 (\$1,000 on a joint return)

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 Council for the Deaf and Hard of Hearing

- Idaho STEM Action Center
- Medical residency programs or support organizations devoted to training residents in Idaho

**Line 2 Credit for Idaho Youth and Rehabilitation Facility Contributions**

You can claim this credit if you donated cash or goods to any of these:

- Qualified center for independent living
- Youth or rehabilitation facility or its foundation
- Nonprofit substance abuse center that the Idaho Dept. of Health and Welfare licenses

Include amounts from Form ID K-1, Part VIII, line 51 to calculate the credit amount.

The credit is limited to the smallest of:

- One-half of the amount donated
- 20% of the tax on Form 40, line 21
- \$100 (\$200 on a joint return)
- The tax on Form 40, line 21 less the amounts on Form 40, line 22; Form 39R, Part D, line 1; and Form 44, Part I, line 1

If you have credit from an ABE (Form ID K-1, Part XI, line 61), you can add that to the amount calculated above (if any). The total credit is limited to the smaller of:

- 20% of the tax on Form 40, line 21
- \$100 (\$200 on a joint return).

The qualified youth or rehabilitation facilities and their foundations are:

- Anchor House, Coeur d'Alene
- The Arc, Inc., Boise
- The Children's Home Society of Idaho, Inc., Boise
- Children's Village, Inc., Coeur d'Alene
- Dawn Enterprises, Inc., Blackfoot
- Development Workshop, Inc., Idaho Falls
- Gem Youth Services, Inc., 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, Inc.
- 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 3 Credit for Live Organ Donation Expenses

A living taxpayer who donates (or whose dependent donates) a qualified organ that's transplanted into another individual can claim a credit for expenses related to the donation.

The credit can't be more than the taxpayer's tax liability and is limited to the smaller of:

- The amount of live-organ donation expenses the taxpayer paid during the tax year
- \$5,000

You can carry over any unused credit for five years.

To claim the credit, you must donate one or more of these organs:

- Human bone marrow
- Any part of an:
  - Intestine
  - Kidney
  - Liver
  - Lung
  - Pancreas

Qualified expenses are those that the taxpayer or dependent incurred for travel, lodging, or lost wages and that aren't reimbursed to the taxpayer. The expenses must be directly related to the live organ donation by the taxpayer or a dependent of the taxpayer.

### Part E — Maintaining a Home for a Family Member Age 65 or Older or a Family Member with a Developmental Disability

Only residents, including Idaho residents on active military duty outside Idaho, can claim this credit.

If you didn't claim the \$1,000 deduction on Part B, line 15, you can claim a \$100 credit for each family member who's age 65 or older (not including yourself or your spouse) for whom you do **both** of these:

- Maintain a household for
- Provide more than one-half of the family member's support for the year

If you maintained the home for the family member for less than a full year, you can take the credit at the rate of \$8.33 for each month you maintained the home.

You can claim this credit if your gross income is less than the filing requirement. File Form 40 and include Form 39R.

**Lines 1 and 2.** Answer the two questions. If you answer yes to either question, you qualify.

**Line 3.** Enter this information for the family member whose home you maintained and for whom you provided more than one-half of their support.

- Their name
- Their Social Security number
- Their relationship to you

If the claim is for a family member with a developmental disability, check the box.

**Line 4.** Enter the total on Form 40, line 44.