

For the calendar year _____ or fiscal year beginning _____, ending _____

Names as shown on return

Social Security number or EIN

Check if using three-factor apportionment

	Total		Idaho	
	Beginning of Year	End of Year	Beginning of Year	End of Year
Property (At original cost)				
1. Inventories				
2. Buildings				
3. Machinery and equipment				
4. Furniture and fixtures				
5. Delivery equipment				
6. Land				
7. Other assets (describe)				
8. Less: Construction in progress				
9. Owned property. Add lines 1 through 7 less line 8				
10. Average owned property. See instructions				
11. Rented property (capitalize @ 8 times the rents)				
12. Total owned and rented property. Add lines 10 and 11				
13. Idaho owned and rented property. Add lines 10 and 11				
14. Idaho property percentage. Compute the percentage to four decimal places				%
Sales (Gross receipts)			Total	Idaho
15. Gross sales, less returns and allowances				
16. Sales delivered or shipped to Idaho purchasers:				
a. Shipped from outside Idaho				
b. Shipped from within Idaho				
17. Sales shipped from Idaho to:				
a. The United States government				
b. Purchasers in a state where the taxpayer was not subject to a net income tax or a tax based upon or measured by net income				
18. Sales of services				
19. Dividends				
20. Interest income subject to apportionment				
21. Gross rents received				
22. Gross royalties				
23. Gross sales from Form 4797 and/or Schedule D				
24. Other Income				
25. Total gross receipts. Add lines 15 and 18 through 24				
26. Idaho gross receipts. Add lines 16 through 24				
27. Idaho sales percentage. Compute percentage to four decimal places				%
28. Reserved				
Payroll (Wages, salaries, other employee compensation)			Total	Idaho
29. Compensation of officers				
30. Salaries and wages				
31. Labor included in cost of goods sold				
32. Other				
33. Total wages and salaries. Add lines 29 through 32				
34. Idaho wages and salaries. Add lines 29 through 32				
35. Idaho payroll percentage. Compute percentage to four decimal places				%
36. Total percent. See instructions				%
37. Idaho apportionment factor. Average percentage. See instructions				%

General Instructions

If you're a nonresident transacting business in Idaho and another state or country, your entire business income is subject to Idaho apportionment. The elements of the apportionment formula are the property, sales, and payroll factors of your trade or business. Factor information is available at tax.idaho.gov.

Modified Factors for Certain Industries

Idaho has adopted the Multistate Tax Commission (MTC) regulations for the following special industries. Examples of the computations of these factors are found in the applicable MTC regulations. You can find them under Laws and Rules at tax.idaho.gov.

Carriers of Freight and Passengers

If you're in the business of transporting passengers, freight or mail by motor carrier, your apportionment factor should reflect the movement of your transportation equipment and personnel. This is done by including the transportation revenue, property and payroll in the Idaho numerators based on the percentage of miles traveled in Idaho to miles traveled everywhere.

Other revenue, fixed property, and compensation of employees assigned to fixed locations are included in the factors based on the general apportionment rules.

Contractors

You must use the same long-term contract accounting method for Idaho reporting purposes that you used for federal reporting purposes.

If the percentage of completion method is used, the following special rules apply in addition to the general property, payroll, and sales factor rules.

The property factor denominator includes the average value of the taxpayer's cost of construction in progress (including materials and labor) to the extent the costs exceed progress billings. The portion of this amount attributable to construction projects in Idaho is included in the Idaho numerator. Don't include any value in the property factors for your equity in the projects if progress billings exceed construction costs.

The sales factor includes only the portion of the gross contract price which corresponds to the percentage of the entire contract which was

completed at the end of the tax year. For example, if the project was 30% complete at the end of the tax year, 30% of the bid price should be included in the gross receipts. Gross receipts from a construction project are attributable to Idaho if the construction is located in Idaho. Gross receipts from a construction project located partially in Idaho are included in the numerator based on ratio of construction costs for the project in Idaho for the tax year to the total of construction costs for that project for the tax year.

Compensation paid for work on a particular construction project is included in the payroll factor even though capitalized into the cost of construction. Compensation is attributable to the state where most of the employee's service is performed, regardless of where reported for unemployment tax purposes.

Specific Instructions

Instructions are for lines not fully explained on the form.

Single sales factor is the default apportionment method. Electrical, telephone and communications corporations (as defined in Idaho Code) and MTC special industries (construction contractors, airlines, railroads, trucking companies, television and radio broadcasting, publishing, and financial institutions) can elect to use a three-factor method. If you're using three-factor apportionment, check this box and provide a list of the companies using the three-factor method.

All taxpayers must complete all three sections (property, payroll and sales). Only three-factor taxpayers will use all three factors to compute their apportionment factor.

Property

Line 8. Enter the cost of property or equipment under construction if included in the totals on the lines above. Don't include inventorable goods in process.

Line 10. To compute total average owned property, add beginning and end of the year amounts from the total columns on line 9, and divide by two. To compute Idaho average owned property, add beginning and end of the year amounts from the Idaho columns on line 9, and divide by two.

Line 11. Multiply your total and Idaho net annual rents by eight, and enter here.

Line 14. Divide Idaho owned and rented property, line 13, by total owned and rented property, line 12. Compute the percentage to four decimal places.

Sales

Lines 16a and b. Enter the amounts from line 15 that were delivered or shipped to Idaho purchasers.

Lines 17a and b. Enter the amounts from line 15 that were throwback sales to Idaho. A sale made in a state that has no jurisdiction to tax the seller is a throwback sale.

Line 27. Divide Idaho gross receipts, line 26, by total gross receipts, line 25. Compute the percentage to four decimal places.

Payroll

Line 35. Divide Idaho wages and salaries, line 34, by total wages and salaries, line 33. Compute the percentage to four decimal places.

Total Percentage

Line 36. For taxpayers using the three-factor apportionment method, add the percentages on lines 14, 27, and 35.

Idaho Apportionment Factor

Line 37.

- For taxpayers using the three-factor apportionment method, divide the total on line 36 by three. If any of the factors don't apply to your business, divide the total on line 36 by the number of factors used. For example, if your business has no employees anywhere, your factor is reduced by one.
- For all other taxpayers, use the percentage on line 27.

Multiply the apportionment factor by the net income/loss of multistate activities reported on your Schedule C, E and F. Enter the resulting amount on the applicable lines of Idaho Form 43.

Contact us:

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tax.idaho.gov/contact