

Form 85R
Recapture of Idaho Small Employer
New Jobs Tax Credit

Names as shown on return	Social Security number or EIN
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You must report recapture if one or both of the following occurred:

1. You didn't meet the following tax incentive criteria:
 - Capital investment in new plant and building facilities of at least \$500,000,
 - Increased employment by at least 10 new employees, each earning at least \$19.23 per hour and receiving health benefits, and
 - For new employment increases above the 10 new employees, the average wages of the additional new employees are at least \$15.50 per hour worked. See the instructions for who's included in this calculation.
2. You didn't maintain the level of qualifying employees for which you earned the credit for five full years after the end of the project period.

Computation of Recaptured Credit

		A	B	C	D	E
1. Year that small employer new jobs tax credit was earned	1					
2. Average number of qualifying employees for the year the credit was earned	2					
3. Idaho small employer new jobs tax credit earned	3					
4. If you didn't meet the tax incentive criteria, enter 100% and go to line 6	4					
5. From the Recapture Worksheet below, enter the recapture percentage for the earliest year during the recapture period that the average number of qualifying employees fell below the average number of employees listed on line 2	5					
6. Tentative recaptured credit. Multiply line 3 by line 4 or 5	6					
7. Add line 6, columns A through E						7
8. Pass-through share of credit recapture from S corporations, partnerships, trusts, or estates						8
9. Add lines 7 and 8						9
10. Credit recapture distributed to shareholders, partners, or beneficiaries						10
11. Enter the portion of original credit not used to offset any tax. Don't enter more than line 9. The amount on this line reduces the carryover available to the current year						11
12. Add lines 10 and 11						12
13. Recapture of small employer new jobs tax credit. Subtract line 12 from line 9. Enter here and on Form 44, Part II, line 5. Don't use this amount to reduce current year's small employer new jobs tax credit computed on Form 85						13

Recapture Worksheet – If you didn't meet the tax incentive criteria, don't use this section.

Date project period ended _____

Recapture Period - Five years after the end of the project period	Tax Year	Average number of qualifying employees working primarily within the project site during the year	Recapture percentage
First year after the end of the project period			100%
Second year after the end of the project period			80%
Third year after the end of the project period			60%
Fourth year after the end of the project period			40%
Fifth year after the end of the project period			20%

General Instructions

Use Form 85R to compute the increase in tax and reduction to credit carryover for the recapture of the small employer new jobs tax credit (SE-NJTC).

If you claimed the SE-NJTC in an earlier year and don't meet the tax incentive criteria, recapture all the SE-NJTC claimed in the earlier years.

Also, compute recapture if you don't maintain the level of qualifying employees for which you earned the credit for five full years from the date the project period ends.

S corporations, partnerships, trusts, and estates that pass through SE-NJTC to shareholders, partners, or beneficiaries must provide Form ID K-1 reporting the recapture amount and including in Part XI, Supplemental Information, details on the years the credit being recaptured was originally earned.

Add any tax owed from recapture of credits claimed in prior years 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.

Idaho Small Employer New Jobs Tax Credit Earned in Prior Years

S corporations, partnerships, trusts, and estates that have SE-NJTC subject to recapture must complete lines 1 through 7 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 8. If the only recapture you're reporting is from a pass-through entity, skip lines 1 through 7 and begin on line 8.

Computation of Recaptured Credit

Line 1. Starting with the earliest tax year in Column A, enter each tax year that the SE-NJTC was earned.

Line 2. Enter the average number of qualifying employees for the year listed on line 1. This amount is on Form 85, line 1 for the applicable year.

Line 3. Enter the amount of SE-NJTC credit earned for the year listed on line 1. This amount is on Form 85, line 10 for the applicable year.

Line 4. If recapture is required because you didn't meet the tax incentive criteria, enter 100% on line 4. Leave line 5 blank and continue with line 6.

Line 5. If recapture is required because you didn't maintain the required number of qualifying employees for five full years from the date the project period ended, you'll need to complete the Recapture Worksheet at the bottom of the form. Enter on line 5 the recapture percentage for the earliest tax year from the Recapture Worksheet that the average number of qualified employees working primarily in the project site fell below the average number of qualifying employees listed on line 2.

Line 6. Multiply line 3 by the larger of the percentages listed on line 4 or 5. If there's no percentage listed on line 5, multiply line 3 by the percentage on line 4.

Line 8. Enter the amount of recapture of SE-NJTC 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 54.

Line 9. Add lines 7 and 8 to determine the amount of credit subject to recapture.

Line 10. 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 11. 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.

Compute the unused portion of the original credit from Form 85R, line 3 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 9.

Line 13. This is the total increase in tax. Enter it on this line and on Form 44, Part II, line 5. **Don't** use this amount to reduce your current year's SE-NJTC from Form 85.

Recapture Worksheet

Complete the recapture worksheet only if you're reporting recapture because you didn't maintain the level of qualifying employees on which you earned the credit for five full years after the end of the project period. If you must report recapture because you didn't meet the tax incentive criteria, don't complete the worksheet but instead enter 100% on line 4 of the form.

Project period end date. The project period ends when the new plant and building facilities for the project are placed in service, but no later than December 31, 2030. Enter the earlier of the two dates.

Recapture period. For each year of the recapture period, enter the tax year in the first column and the average number of employees who worked primarily at the project site in the second column. List this for each year until the average number of employees reported for a year falls below the qualifying level of employment reported on line 2. The first year in the recapture period that the average number of qualifying employees falls below the average number of qualifying employees listed on line 2 is the year when recapture is required and determines the recapture percentage.

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660

Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact