

**TAX-AIDE PROGRAM  
State Tax Test  
2017**

**Question 1 – Filing Status**

Which of the following statements are true?

- (a) An unmarried couple who live together can file a joint return.
- (b) A married couple cannot file separately in Idaho because Idaho is a community property state.
- (c) A same-sex couple can file a joint return in Idaho.
- (d) The filing status on your Idaho return can be different from your federal return.

**Question 2 – Residency Status**

Which of the following statements are true?

- (a) The residency status of a married couple must be the same.
- (b) A taxpayer who never lived in Idaho during the year cannot be a resident.
- (c) An Idaho resident should never file a Form 43.
- (d) A dependent child's residency status must be the same as the parent.
- (e) A resident taxpayer doesn't have to pay taxes on income earned in another state.
- (f) A taxpayer who works outside of Idaho and only comes back to Idaho a weekend or two a month is not a resident of Idaho.

**Question 3 – Grocery Credit**

Which of the following statements are true?

- (a) The grocery credit is not allowed to someone who receives Medicaid benefits.
- (b) An Idaho resident can claim the grocery credit for dependents living in other states who are domiciled in Idaho.
- (c) An illegal immigrant who has children that are U.S. citizens can't claim the grocery credit for himself, but can claim it for his children that reside in Idaho.
- (d) You must meet the filing requirement before you are eligible for the grocery credit.
- (e) A 65 year old Idaho resident taxpayer with no income who is a dependent of another resident taxpayer is eligible for a higher credit by filing Form 24.

**Question 4 – Grocery Credit**

Fred and Belinda are divorced and have two children, Jane and Sarah. The children live with Belinda more than 50% of the year. Their divorce decree states that Fred can claim Sarah and Belinda can claim Jane a dependent on their tax returns. Belinda received food stamps for 6 months in 2016. What is the amount of grocery credit that Fred and Belinda will receive on their 2016 return?

**Question 5 – Idaho Adjustments and Credits**

Which of the following qualify for a special Idaho deduction or credit? (If qualified, indicate whether it qualifies for a deduction or a credit and the maximum amount allowed on a 2016 return.)

- (a) A two-year old computer donated to a public school (original cost \$1,500, current value \$300).
- (b) \$10,000 paid for a hybrid air-to-air heat pump water heater installed in an Idaho residence.
- (c) \$4,800 of Obamacare premiums paid with after-tax money by non-itemizing taxpayer. The taxpayer also received a Premium Tax Credit of \$2,500 on their 2016 federal return.
- (d) \$8,000 paid for energy efficient windows that replaced less efficient windows in a home built in 1999.
- (e) \$1,000 paid for storm doors for a house built in 1999.
- (f) \$11,000 contributed by a single individual to an Idaho medical savings account.
- (g) \$4,000 college tuition paid for a qualifying child.

### **Question 6 – Military Issues**

Allen is a California resident. His wife Cindy is an Idaho resident. They lived in Idaho during 2016 because Allen was stationed here on active military duty all year. Mark all of the following statements that are true.

- (a) Allen and Cindy should file on Form 40 because Cindy is an Idaho resident.
- (b) Allen and Cindy should file on Form 43 because Allen is a California nonresident on active military duty and Cindy is a resident.
- (c) Cindy's wages earned in Idaho are not taxable in Idaho.
- (d) Allen's military earnings are not taxable in Idaho.
- (e) Allen's non-military earnings are not taxable in Idaho.

### **Question 7 – Retirement Deduction**

Larry Beddwetter, single, age 75, worked for the federal government for 30 years. His CSA-1099 form shows taxable retirement benefits of \$32,000 were paid to him under account #1006432. He also received social security benefits of \$10,000 (\$5,000 is taxable on his federal return). How much can Larry deduct on his Idaho return for the Idaho retirement benefits deduction?

- (a) \$32,000
- (b) \$31,668
- (c) \$22,000
- (d) \$21,668
- (e) \$10,000
- (f) \$0

### **Question 8 – Residency and Idaho Taxable Income**

Identify the following statements as true or false:

- (a) T F If my permanent job is in another state, my earnings are not taxable in Idaho.
- (b) T F If I'm a nonresident and don't work in Idaho, I don't have to file an Idaho return.
- (c) T F If I spend more than 270 days in Idaho, I am an Idaho resident.
- (d) T F If I file a resident Idaho return, I don't have to file any a return in any other state.
- (e) T F I'm not an Idaho resident if I lived in another state all year long.

**Problem**

Wade and Jenny Lake are so happy to see you they can hardly contain their excitement. They have spent the last few months working on their home renovations. As part of their renovations they spent \$4,000 replaced their old wood burning fireplace with a top of the line pellet fireplace. Their last big plan is to put in a home theatre system. How big of screen they put in is dependent on how big their 2016 refund is.

Wade works as a tour guide through Craters of the Moon National Monument. In 2016, his W-2 from the National Park Service shows that he made \$30,000 and had Idaho withholding of \$1,000. Also, to show his patriotism and love of his country he is a captain in the Idaho National Guard. For his weekend and summer training he got a W-2 for \$12,000 with Idaho withholding of \$400.

Jenny worked all year at a local elementary school as a para-professional and three nights a week as a cashier at Highs. Her W-2s show total taxable wages for the year of \$18,000 and Idaho tax withheld of \$800. Jenny has two great hobbies 1) landscaping and 2) scratch games from the lottery. During the year Jenny revitalized their old fireplace making it into a new and exciting center piece for their landscaping. While she was playing the Jeer's scratch game she won \$1,500. Her biggest win on a single ticket was \$600.

The Lake's oldest son, Henry (age 25), still lives at home with his parents. Wade and Jenny had enough with Henry wasting all of his time couch bird watching and working to become a professional livestock photographer and threaten to kick him out of the house if he doesn't get a job. With Jenny's connections at Highs, in August, she got Henry a part-time job as a sanitation associate where he earned \$4,053 and had \$132 of Idaho tax withheld.

Wade and Jenny have two other children living with them - Farley (age 14) and Alturas (age 10). Wade's aged Father, Alpine, also lives in their home and does his best to make sure his grandchildren's life is everything he wanted.

They paid \$750 to Alpine for after-school care so Jenny could work. That was Alpine's only income. Wade and Jenny contributed \$1,250 to their Idaho medical savings account at Big Pond Credit Union (Account #10-023) in 2016. The account earned \$3 interest during the year. They paid health insurance premiums during the year of \$2,000 (\$1,500 withdrawn from an Idaho MSA and \$500 paid from their checking account).

**Other Information**

They want to file jointly, and don't want to itemize

SSN's: Wade, 537-26-1987; Jenny, 518-24-8760; Henry, 519-46-0001; Farley, 519-46-0002; Alturas, 519-46-0003; Alpine, 535-34-9587.

Address: 5027 River Dr, Idaho Falls, ID 83402

What is the Lake's correct Idaho refund?

**Extra Credit (optional)**

1. In all, about how many people have reported 078-05-1120 as their social security number?
  - A. 7,000
  - B. 10,000
  - C. 40,000
  - D. 400,000

2. How many cocoa beans did a rabbit cost for the Aztecs?

- A. 4
- B. 10
- C. 22
- D. 100

# IDAHO INDIVIDUAL INCOME TAX RETURN

AMENDED RETURN, check the box. ☐

State Use Only

See instructions, page 7, for the reasons for amending and enter the number. ☐

For calendar year 2016, or fiscal year beginning \_\_\_\_\_, ending \_\_\_\_\_

PLEASE PRINT OR TYPE

Your first name and initial	Last name	Your Social Security number (required)	<input type="checkbox"/> Deceased in 2016
Spouse's first name and initial	Last name	Spouse's Social Security number (required)	<input type="checkbox"/> Deceased in 2016
Current mailing address			
City, State, and Zip Code		Forms available at <a href="http://tax.idaho.gov">tax.idaho.gov</a>	

**FILING STATUS.** Check only one box.

If married filing jointly or separately, enter spouse's name and Social Security number above.

1. ☐ Single
2. ☐ Married filing jointly
3. ☐ Married filing separately
4. ☐ Head of household
5. ☐ Qualifying widow(er)

**6. EXEMPTIONS.**

If someone can claim you as a dependent, leave box 6a blank.

Enter "1" in boxes 6a, and 6b, if they apply.

Yourself a. ☐  
Spouse b. ☐

c. List your dependents. If you have more than four, continue on Form 39R.  
Enter the total number here \_\_\_\_\_ c. ☐

First name	Last name	Social Security number

d. Total exemptions. Add lines 6a through 6c. Must match federal return ..... d. ☐

**INCOME.** See instructions, page 7.

7. Enter your federal adjusted gross income from federal Form 1040, line 37; federal Form 1040A, line 21; or federal Form 1040EZ, line 4. Include a complete copy of your federal return .....	7	00
8. Additions from Form 39R, Part A, line 7. Include Form 39R .....	8	00
9. Total. Add lines 7 and 8 .....	9	00
10. Subtractions from Form 39R, Part B, line 23. Include Form 39R .....	10	00
11. TOTAL ADJUSTED INCOME. Subtract line 10 from line 9 .....	11	00

**TAX COMPUTATION.** See instructions, page 7.

**Standard Deduction For Most People**

Single or Married filing Separately: \$6,300

Head of Household: \$9,300

Married filing Jointly or Qualifying Widow(er): \$12,600

12. CHECK —
- a. If age 65 or older ..... ☐ Yourself ☐ Spouse
  - b. If blind ..... ☐ Yourself ☐ Spouse
  - c. If your parent or someone else can claim you as a dependent, check here and enter zero on lines 18 and 42. ☐

13. Itemized deductions. Include federal Schedule A. Federal limits apply .....	13	00
14. All state and local income or general sales taxes included on federal Schedule A, line 5 .....	14	00
15. Subtract line 14 from line 13. If you don't use federal Schedule A, enter zero .....	15	00
16. Standard deduction. See instructions, page 7, to determine amount if not standard .....	16	00
17. Subtract the LARGER of line 15 or 16 from line 11. If less than zero, enter zero .....	17	00
18. Multiply \$4,050 by the number of exemptions claimed on line 6d. Federal limits apply .....	18	00
19. Idaho taxable income. Subtract line 18 from line 17. If less than zero, enter zero .....	19	00
20. Tax from tables or rate schedule. See instructions, page 37 .....	20	00

Don't staple

Continue to page 2.

MAIL TO: Idaho State Tax Commission, PO Box 56, Boise, ID 83756-0056

INCLUDE A COMPLETE COPY OF YOUR FEDERAL RETURN.



21. Tax amount from line 20 .....	21		00
<b>CREDITS. Limits apply. See instructions, page 8.</b>			
22. Income tax paid to other states. Include Form 39R and a copy of other state return .....	22		00
23. Total credits from Form 39R, Part E, line 4. Include Form 39R .....	23		00
24. Total business income tax credits from Form 44, Part I, line 11. Include Form 44 .....	24		00
25. TOTAL CREDITS. Add lines 22 through 24 .....	25		00
26. Subtract line 25 from line 21. If line 25 is more than line 21, enter zero .....	26		00
<b>OTHER TAXES. See instructions, page 9.</b>			
27. Fuels tax due. Include Form 75 .....	27		00
28. Sales/Use tax due on nontaxed purchases (Internet, mail order, and other) .....	28		00
29. Total tax from recapture of income tax credits from Form 44, Part II, line 7. Include Form 44 .....	29		00
30. Tax from recapture of qualified investment exemption (QIE). Include Form 49ER .....	30		00
31. Permanent building fund. Check the box if you received Idaho public assistance payments for 2016..... <input type="checkbox"/>	31	10	00
32. TOTAL TAX. Add lines 26 through 31 .....	32		00
<b>DONATIONS. See instructions, page 9. I want to donate to:</b>			
33. Nongame Wildlife Conservation Fund .....			
34. Idaho Children's Trust Fund .....			
35. Special Olympics Idaho .....			
36. Idaho Guard and Reserve Family .....			
37. American Red Cross of Idaho Fund .....			
38. Veterans Support Fund .....			
39. Idaho Foodbank Fund .....			
40. Opportunity Scholarship Program .....			
41. TOTAL TAX PLUS DONATIONS. Add lines 32 through 40 .....	41		00
<b>PAYMENTS and OTHER CREDITS. Complete the grocery credit refund worksheet on page 10.</b>			
42. Grocery credit. Computed Amount (from worksheet) .....			
To donate your grocery credit to the Cooperative Welfare Fund, check the box and enter zero on line 42 <input type="checkbox"/>			
To receive your grocery credit, enter the computed amount on line 42 .....			
43. Maintaining a home for family member age 65 or older, or developmentally disabled. Include Form 39R .....	43		00
44. Special fuels tax refund ..... Gasoline tax refund ..... Include Form 75 .....	44		00
45. Idaho income tax withheld. Include Form(s) W-2 and any 1099(s) that show Idaho withholding .....	45		00
46. 2016 Form 51 payment(s) and amount applied from 2015 return .....	46		00
47. Pass-through income tax. Withheld ..... Paid by entity ..... Include Form(s) ID K-1 ....	47		00
48. Reimbursement Incentive Act credit ..... Claim of Right credit ..... See instructions .....	48		00
49. TOTAL PAYMENTS AND OTHER CREDITS. Add lines 42 through 48 .....	49		00
<b>TAX DUE or REFUND. See instructions, page 11. If line 41 is more than line 49, GO TO LINE 50. If line 41 is less than line 49, GO TO LINE 53.</b>			
50. TAX DUE. Subtract line 49 from line 41 .....			00
51. Penalty ..... Interest from the due date ..... Enter total .....	51		00
Check box if penalty is due to an ineligible withdrawal from an Idaho medical savings account <input type="checkbox"/>			
52. TOTAL DUE. Add lines 50 and 51. Make check or money order payable to the Idaho State Tax Commission.....	52		00
53. OVERPAID. Line 49 minus lines 41 and 51. This is the amount you overpaid .....	53		00
54. REFUND. Amount of line 53 to be refunded to you .....			00
55. ESTIMATED TAX. Amount of line 53 to be applied to your 2017 estimated tax .....	55		00
56. <b>DIRECT DEPOSIT. See instructions, page 12.</b> <input type="checkbox"/> Check if final deposit destination is outside the U.S.			
• Routing No. <input type="text"/>		• Account No. <input type="text"/>	
		Type of <input type="checkbox"/> Checking	
		Account <input type="checkbox"/> Savings	
<b>AMENDED RETURN ONLY. Complete this section to determine your tax due or refund. See instructions.</b>			
57. Total due (line 52) or overpaid (line 53) on this return .....	57		00
58. Refund from original return plus additional refunds .....	58		00
59. Tax paid with original return plus additional tax paid .....	59		00
60. Amended tax due or refund. Add lines 57 and 58 then subtract line 59 .....	60		00
<input type="checkbox"/> Within 180 days of receiving this return, the Idaho State Tax Commission may discuss this return with the paid preparer identified below. Under penalties of perjury, I declare that to the best of my knowledge and belief this return is true, correct, and complete. See instructions.			
<b>SIGN HERE</b> Your signature .....		Spouse's signature (if a joint return, BOTH MUST SIGN) .....	
Date .....	Taxpayer's phone .....	Preparer's EIN, SSN, or PTIN .....	
Paid preparer's signature .....		Preparer's address and phone number .....	



# IDAHO SUPPLEMENTAL SCHEDULE

For Form 40, Resident Returns Only

**2016**

Name(s) as shown on return

Social Security number

**A. Additions. See instructions, page 20.**

1. Federal net operating loss carryover included in Form 40, line 7	1	00
2. Capital loss carryover incurred outside the state before becoming an Idaho resident	2	00
3. Non-Idaho state and local bond interest and dividends	3	00
4. Idaho college savings account withdrawal	4	00
5. Bonus depreciation. Include computations	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 20.**

1. Idaho net operating loss carryover	1	00
Idaho net operating loss carryback	Enter total here	
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	4	00
5. Alternative energy devices deduction		
Year		
Acquired	Type of Device	Total Cost
a. 2016		\$ X 40% = 5a
b. 2015		\$ X 20% = 5b
c. 2014		\$ X 20% = 5c
d. 2013		\$ X 20% = 5d
e. Add lines 5a through 5d. Can't exceed \$5,000	5e	00
6. Child/dependent care. Include federal Form 2441	6	00
7. Social Security and railroad benefits, if included in federal income	7	00
8. Retirement benefits deduction. Complete Part C	8	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. Maintaining a home for the aged and/or developmentally disabled	15	00
16. Idaho lottery winnings, less than \$600 per prize	16	00
17. Income earned on a reservation by an American Indian	17	00
18. Health insurance premiums	18	00
19. Long-term care insurance	19	00
20. Workers' compensation insurance	20	00
21. Bonus depreciation. Include computations	21	00
22. Other subtractions. Include explanation	22	00
23. Total subtractions. Add lines 1 through 4 and 5e through 22.	23	00
Enter here and on Form 40, line 10		

**C. Retirement Benefits Deduction. See instructions, page 21, for qualified retirement benefits.**

1. If single, enter \$31,668, or if married filing jointly, enter \$47,502	1	00
2. Federal Railroad Retirement benefits received	2	00
3. Social Security benefits received	3	00
4. Line 1 minus lines 2 and 3. If less than zero, enter zero	4	00
5. Qualified retirement benefits included in federal income	5	00
6. Enter the smaller of line 4 or 5 here and on Part B, line 8	6	00

Name(s) as shown on return

Social Security number

**D. Credit for Income Tax Paid to Other States.** See instructions, page 25.

This credit is being claimed for taxes paid to: \_\_\_\_\_ (State name)

1. Idaho tax, Form 40, line 20 .....	1		00	Include a copy of the income tax return and a separate Form 39R for each state for which a credit is claimed.
2. Federal adjusted gross income earned in other state 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 less its income tax credits .....		6		00
7. Enter the smaller of lines 5 or 6 here and on Form 40, line 22 .....		7		00

**E. Credits for Idaho Educational Entity and Idaho Youth and Rehabilitation Facility Contributions and Live Organ Donation Expenses.** See instructions, page 25.

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

**F. Maintaining a Home for a Family Member Age 65 or Older, or a Family Member With a Developmental Disability. See instructions, page 26.**

1. Did you maintain a home for an immediate family member age 65 or older and provide more than one-half of his/her support? You and your spouse don't qualify ..... ☐ Yes ☐ No
2. Did you maintain a home for an immediate family member with a developmental disability and provide more than one-half of his/her support? You and your spouse may qualify ..... ☐ Yes ☐ No
3. List each family member you're claiming:

Name of Family Member		Social Security Number of Family Member	Relationship to Person Filing Return	Date of Birth of Family Member	Check Here if Developmentally Disabled
First Name	Last Name				

4. Total amount claimed (\$100 for each qualifying member but not more than \$300).  
Enter here and on Form 40, line 43. (Credit can't be claimed if you took \$1,000 deduction  
on Part B, line 15.)

4

**G. Dependents:** (Continued from Form 40, page 1, Line 6c)

[illegible]