

Claiming Idaho Tax paid in the current year from a prior year as an itemized deduction

If a taxpayer itemizes deductions for the current tax year, additional state income tax paid for a prior year in the current year should be added to line 5a of Schedule A. Since the Idaho income tax return is used to collect types of taxes other than state income tax, one must add/subtract the other types of credits/taxes to the prior year balance due before entering this information into Schedule A.

The amount to be added to the current year Schedule A is determined as follows:

1. Add grocery credit, fuels tax refund and other refundable credits such as the Idaho child tax Credit and for maintaining a home for a family member or developmentally disabled credit.
2. Subtract Other taxes (Form 40 lines 27-31), and donations (Form 40 lines 33-40) from the step 1 total to determine the additional state income tax that can be added to Schedule A, Line 5a.

Note: Steps 1 and 2 are a quick and intuitive method for calculating the additional state income tax that can be added to Schedule A, line 5a when the only additional non-income tax subtracted is the building fund and the only additional credit is the grocery tax credit. If there are more additional taxes and credits on ID form 40 lines 27 – 40 it is easier to calculate the additional prior year state income tax paid in the current year by simply subtracting total state tax withholding on ID form 40 line 45 from tax due on line 20.

3. Add the additional Idaho tax paid to the current year Schedule A by clicking on “Taxes Paid” within the TaxSlayer itemized deduction menu and enter the step 2 total to the block labeled “Additional State and Local Taxes Paid”

Note: TaxSlayer will combine the Additional State and Local taxes Paid with current year state income tax withholding on W-2s, 1099s, etc., and “Estimated Tax Payments Made for the Current Tax Year” and enter this sum to Schedule A line 5a.