

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 600

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO INCOME TAXES; AMENDING SECTION 63-30220, IDAHO CODE, TO CLAR-
2 IFY THAT A CERTAIN SECTION OF THE INTERNAL REVENUE CODE SHALL NOT AP-
3 PLY TO ASSETS ACQUIRED AFTER A CERTAIN DATE AND TO REMOVE REFERENCES TO
4 CERTAIN CONGRESSIONAL ENACTMENTS; DECLARING AN EMERGENCY AND PROVIDING
5 RETROACTIVE APPLICATION.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 63-30220, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 63-30220. ADJUSTMENT -- PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001 --
11 SMALL BUSINESS EXPENSES -- LIMITATIONS ON ASSESSMENTS AND REFUNDS. For tax-
12 able years commencing on and after January 1, 2001, in computing Idaho tax-
13 able income:

14 (1) The adjusted basis of depreciable property, depreciation and gains
15 and losses from sale, exchange or other disposition of depreciable property
16 acquired after September 10, 2001, and before December 31, 2007, shall be
17 computed without regard to subsection (k) of section 168 of the Internal
18 Revenue Code and the adjusted basis of depreciable property, depreciation
19 and gains and losses from sale, exchange or other disposition of depreciable
20 property acquired after December 31, 2009, shall be computed without regard
21 to subsection (k) of section 168 of the Internal Revenue Code, ~~as amended by~~
22 ~~the "tax relief, unemployment insurance reauthorization and job creation~~
23 ~~act of 2010" and as amended by the "small business jobs act of 2010"; and~~

24 (2) Adjustments in computing Idaho taxable income required by subsec-
25 tion (1) of this section shall be made without regard to loss limitations im-
26 posed by sections 465, 469, 704(d) and 1366(d) of the Internal Revenue Code;
27 and

28 (3) A taxpayer's basis in an interest in a pass-through entity, amount
29 at risk, and passive activity loss carryover shall be the same amount for
30 purposes of the Idaho income tax act as the amount determined under the In-
31 ternal Revenue Code; and

32 (4) Each partner, shareholder, member or beneficiary shall include in
33 Idaho taxable income his share of the adjustments required by this section in
34 computing Idaho taxable income of any pass-through entity; and

35 (5) Notwithstanding the provisions of sections 63-3068 and 63-3072,
36 Idaho Code, the period of limitations for issuing a notice of deficiency de-
37 termination or filing a claim for refund for any year for which an adjustment
38 is required by this section shall not expire before three (3) years from the
39 later of: (a) the due date of the return for the last taxable year an adjust-
40 ment was required by this section, or (b) the date the return was filed for
41 the last taxable year an adjustment was required by this section. Upon the
42 expiration of the period of limitations as provided in subsections (a) and

1 (m) of section 63-3068, Idaho Code, and subsections (b) and (h) of section
2 63-3072, Idaho Code, only those specific items of basis, deductions, gains
3 or losses that are computed, without regard to subsection (k) of section 168
4 of the Internal Revenue Code, as required by this section shall be subject to
5 adjustment.

6 SECTION 2. An emergency existing therefor, which emergency is hereby
7 declared to exist, this act shall be in full force and effect on and after its
8 passage and approval, and retroactively to January 1, 2013.