

2006 form 8826
Major Changes Memo

On the Form-

[1] The text “Rev. December 2006” is added under the form number in the upper left corner because the form was converted from annual use to continuous use. In accordance, the text “2005” was eliminated from the upper right corner and the bottom right corner (replaced with the text “Rev. 12-2006” in the bottom right corner).

[2] The **Part I** and **Part II** headings are eliminated because the function of the old Part II (to compute the allowable credit) is now on Form 3800. Since there is no longer a Part II, a Part I designation is unnecessary.

[3] The table on line 7 giving the codes from the Schedules K-1 is eliminated to streamline the form. Also on line 7, the text “pass-through entities” is changed to “partnerships and S-corporations.”

[4] Line 8 is rewritten to streamline. The text “Current year credit” is removed. Now partnerships and S corporations are directed to report the amount on Schedules K. All others are directed to line 1g of the 2006 Form 3800.

In the Instructions-

[1] A **What’s New** section is added with the following bulleted items.

- The tax liability limit is no longer figured on this form; instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships or S corporations, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1g of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

[2] The instructions for **S corporations and partnerships** (and electing large partnerships), in the second paragraph under **Purpose of Form**, are eliminated as the information is now shown on Schedules K.

[3] The instructions for **Controlled groups** is moved from **Specific Instructions** to **Definitions** and rewritten as follows:

Member of a controlled group or business under common control. For purposes of figuring the credit, all members of a controlled group of corporations (as defined in section 52(a)) and all members of a group of businesses under common control (as defined in section 52(b)), are treated as a single taxpayer. As a member, compute your

credit based on your proportionate share of eligible access expenditures giving rise to the group's disabled access credit. Enter your share of the credit on line 6. Attach a statement showing how your share of the credit was figured, and write "See attached" next to the entry space for line 6.

[4] The last paragraph of instructions under **Line 1**, under the heading **Denial of double benefit**, are now the **Line 6** instructions with the same heading.

[5] All of the **Part II** instructions are removed to conform to the removal of the Part II on the form. Accordingly, the **Part I** and **Part II** headings are removed.