

Description of the Major Changes to the Form 8882 (Rev. December 2006)

- Beginning in 2006, this form will become a continuous use form. That is, it will be revised only as needed, primarily for statutory changes, instead of annually.
- On line 5, we deleted all of the previous year's text, and replaced it with relatively simplified instructions relating to a credit from a pass-through entity, such as an S corporation or partnership.
- We added new line 8 to accommodate amounts of the credit allocated to beneficiaries of an estate or trust.
- We added new line 9 to accommodate the amount of the credit to be retained by the estate or trust.
- We deleted Part II, relating to computation of the allowable credit, from the form and the instructions. Beginning in 2006, all taxpayers will be required to complete Form 3800, General Business Credit, to make this computation.
- We added a "What's New" to highlight the major changes to Form 8882 (Rev. 12-06).
- We deleted the instructions for Part I, relating to the "Current Year Credit" because there is no longer a need for separate instructions.
- We replaced the instructions for "Controlled Groups," with language that is consistent to that which is used in other general business credit forms.
- We deleted the instructions for S corporations and partnerships. Taxpayers will need to go to the instructions for their appropriate form (i.e, Form 1120S or 1065) that they file for additional information.
- We added instructions for fiduciaries of estates or trusts as to how to allocate the credit for new line 8.
- All dates and line references were revised accordingly.