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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Credit for Alcohol Used as Fuel

Department of the Treasury
Internal Revenue Service

► **Attach to your tax return.**

Name(s) shown on return

Identifying number

Caution: You cannot claim any amounts on Form 6478 that you claimed (or will claim) on Schedule C (Form 720), Form 8849, or Form 4136.

Part I Current Year Credit

Type of Alcohol Fuel	(a) Number of Gallons of Alcohol Sold or Used	(b) Rate *	(c) Column (a) x Column (b)
1 Qualified ethanol fuel production (in gallons) (see instructions for election)	1	\$.10	
2 Alcohol 190 proof or greater and alcohol 190 proof or greater in fuel mixtures	2	\$.51	
3 Alcohol less than 190 proof but at least 150 proof and alcohol less than 190 proof but at least 150 proof in fuel mixtures	3	\$.3778	
4 Add the amounts in column (c) on lines 1, 2, and 3. Include this amount in your income for 2006 (see instructions)			4
5 Alcohol fuel credit from a partnership, S corporation, cooperative, estate, or trust (see instructions)			5
6 Add lines 4 and 5, column (c). Cooperatives, estates, and trusts, go to line 12. Partnerships and S corporations, report this amount on Schedule K. All others, continue on to line 7			6
7 Alcohol fuel credit included on line 6 from passive activities (see instructions)			7
8 Subtract line 7 from line 6			8
9 Alcohol fuel credit allowed for 2006 from a passive activity (see instructions)			9
10 Carryforward from 2005 and carryback from 2007 of the alcohol fuel credit (see instructions)			10
11 Add lines 8 through 10. Cooperatives, estates, and trusts, continue on to line 12. All others, use this amount to complete Part II			11
12 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)			12
13 Cooperatives, estates, and trusts. Subtract line 12 from line 11. Use this amount to complete Part II			13

*Only the rate for ethanol is shown. See instructions for lines 2 and 3 for rates for alcohol other than ethanol.

Part II Allowable Credit **Caution:** If you have both an alcohol fuel credit and a credit from Section B of Form 8835, do not complete Part II below. Instead, go to Form 8835 (see instructions).

14 Regular tax before credits (see instructions)			14
15 Alternative minimum tax (see instructions)			15
16 Add lines 14 and 15			16
17a Foreign tax credit	17a		17f
b Credits from Form 1040, lines 48 through 54 (or Form 1040NR, lines 45 through 49)	17b		
c Qualified electric vehicle (Form 8834, line 20)	17c		
d Alternative motor vehicle credit (Form 8910, line 18)	17d		
e Alternative fuel vehicle refueling property credit (Form 8911, line 19)	17e		
f Add lines 17a through 17e.			
18 Net income tax. Subtract line 17f from line 16. If zero, skip lines 19 through 22 and enter -0- on line 23			18
19 Net regular tax. Subtract line 17f from line 14. If zero or less, enter -0-	19		
20 Enter 25% (.25) of the excess, if any, of line 19 over \$25,000 (see instructions)			20
21 Subtract line 20 from line 18. If zero or less, enter -0-			21
22 General business credit (see instructions)			22
23 Subtract line 22 from line 21. If zero or less, enter -0-			23
24 Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 13 or 23. Report this amount on Form 1120C, Schedule J, line 5c; or Form 1041, Schedule G, line 2c. If line 23 is smaller than line 13, see instructions. All others. Enter the smaller of line 11 or 23. Report this amount on Form 1040, line 55; Form 1040NR, line 50; Form 1120, Schedule J, line 5c; Form 1120-A, Part I, line 2; or the applicable line of your return. If line 23 is smaller than line 11, see instructions			24