

Caution: DRAFT FORM

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

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.

**District of Columbia First-Time
 Homebuyer Credit**

▶ Attach to Form 1040 or Form 1040NR.

Name(s) shown on Form 1040

Your social security number

Note: The District of Columbia first-time homebuyer credit has expired for homes purchased after 2005. In 2006, you can only claim a carryforward of the credit from 2005.

Part I General Information

A Address of home qualifying for the credit (if different from the address shown on Form 1040)

Information from settlement statement or deed	B Lot number	C Square number	D Settlement or closing date
---	--------------	-----------------	------------------------------

Part II Credit Carryforward From 2005

1 Enter the amount from line 12 of your 2005 Form 8859	1	
--	---	--

Part III Tax Liability Limit

2 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	2	
3 1040 filers: Enter the total of the amounts from Form 1040, lines 47 through 51 and line 53 plus any credits from Form 5695, line 12; Form 8396, line 11; and Form 8839, line 18. 1040NR filers: Enter the total of the amounts from Form 1040NR, lines 44 through 46 and line 48 plus any credits from Form 5695, line 12; Form 8396, line 11; and Form 8839, line 18.	3	
4 Subtract line 3 from line 2. If zero or less, enter -0- here and on line 5 and go to line 6	4	
5 Current year credit. Enter the smaller of line 1 or line 4. Also include this amount on Form 1040, line 54 and check box c , or Form 1040NR, line 49 and check box c	5	
6 Credit carryforward to 2007. Subtract line 5 from line 1	6	

General Instructions

Section references are to the Internal Revenue Code.

What's New

The District of Columbia first-time homebuyer credit has expired for homes purchased after 2005. In 2006, you can only claim a carryforward of the credit from 2005.

Purpose of Form

Use Form 8859 to claim a carryforward of the District of Columbia first-time homebuyer credit from 2005.

Specific Instructions

Line 6

Any unused credit shown on line 6 can be carried forward until it has been used. You cannot carry the unused credit back to prior years.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.