

**2007 Form 8835, Renewable Electricity, Refined Coal,
and Indian Coal Production Credit**

Purpose: This is the first circulated draft of the 2007 Form 8835, Renewable Electricity, Refined Coal, and Indian Coal Production Credit, for your review and comments. The major changes are listed below.

TPCC Meeting: None, but one may be arranged if requested.

Prior Version: The 2006 Form 8835 is available at:

<http://www.irs.gov/pub/irs-pdf/f8835.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at:

http://taxforms.web.irs.gov/draft_products.html

Comments: Please email, fax, call, or mail any comments to me or email the reviewer, Sharon Dewsbury, Sharon.A.Dewsbury@irs.gov by June 23, 2007.

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2007 Form 8835 Major Changes

On the Form

1] On lines 1 (section A), 1 (section B), and 19 (section B), the factor used to calculate the credit for kilowatt-hours of electricity produced and sold is adjusted for inflation and changed to 0.020 (IRC sec. 45(b)(2); Notice 2007-40).

2] The Form 3800 line reference on lines 10 and 12 is changed from "1h" to "1g" because the lines on the 2007 Form 3800 are renamed.

3] On line 6 (section B) the factor used to calculate the credit for tons of refined coal produced and sold is adjusted for inflation and changed to \$5.877 (IRC sec. 45(e)(8)(C) and (A); IRC sec.45(e)(2); Notice 2007-40).

4] On line 9 (section B) the factor used to calculate the credit for tons of Indian coal produced and sold is adjusted for inflation and changed to \$1.544 (IRC sec. 45(e)(10)(B) ; IRC sec.45(e)(2); Notice 2007-40).

5] The years are updated on lines 27, 28, and 29.

6] Two changes regarding lines 36a and 36b:

- Lines 36a and 36b (representing the foreign tax credit and the personal tax credits from Forms 1040 (or 1040NR)) are switched in place (re-ordered) because IRC 26(a)(2) does not (yet) provide for the old ordering of the credits/lines.
- On Line 36a (old line 36b), the Form 1040 and 1040NR line references are changed to conform to Work Request Notification (WRN) changes on the 2007 forms.

7] On line 36c the text is changed to: Credits from Forms 5735 and 8834. This is to allow for the new American Samoa economic development credit (PL 109-432, sec. 119(a)).

8] On line 43, the reference to Form 1120-A is removed because the form is obsolete for 2007.

In the Instructions

1] The **What's New** area is removed except for the second bulleted item, which is rewritten and moved to the second column as the 2nd paragraph under **Purpose of Form**. It reads: "Generally, if you are not a partnership or S corporation, and your only source of this credit is from a partnership, S corporation, estate, trust, or cooperative, you are not required to complete Section A of this form. Instead, you can report this credit directly on line 1g of form 3800. The following exceptions apply.

- You are an estate or trust and the source credit can be allocated to beneficiaries. For more details, see the Instructions for Form 1041, Schedule K-1, box 13.
- You are a cooperative and the source credit can or must be allocated to patrons. For more details, see the Instructions for Form 1120-C, Schedule J, line 5c.”

3] (page 3, top of the first column) In the **Note**, the year is updated, and the factor used to calculate the credit for kilowatt-hours of electricity produced and sold is adjusted for inflation and changed to 2.0 cents. Similarly the factor used to calculate the credit for tons of refined coal produced and sold is adjusted for inflation and changed to \$5.877, and for tons of Indian coal produced and sold the new factor is \$1.544. These revisions are repeated in the 3rd column of page 3, in the instructions for lines 1 and 6.

4] (3rd column, page 3) The text “of Section A” is removed from the paragraph headed **Fiscal year taxpayers** to correspond to the **Note** at the heading, and to be consistent with rest of the discussion.

5] The years are updated in the usual places, and particularly in the 3rd column, page 3, and the 1st column, page 4.

6] In the **Line 33, Section B**, instructions on page 4, the reference to Form 1120-A is removed because the form is obsolete for 2007.

7] The **Line 36a, Section B** instructions are rewritten as Line 36c, Section B. The instructions now indicate the American Samoa economic development and qualified electric vehicle credits.

**Renewable Electricity, Refined Coal,
and Indian Coal Production Credit**

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Section A. Electricity produced at qualified facilities placed in service prior to October 23, 2004

1	Kilowatt-hours produced and sold (see instructions)	×	0.02	1		
2	Phaseout adjustment (see instructions)	\$	×	2		
3	Credit before reduction. Subtract line 2 from line 1			3		
Reduction for government grants, subsidized financing, and other credits:						
4	Total of government grants, proceeds of tax-exempt government obligations, subsidized energy financing, and any federal tax credits allowed for the project for this and all prior tax years (see instructions)			4		
5	Total of additions to the capital account for the project for this and all prior tax years			5		
6	Divide line 4 by line 5. Show as a decimal carried to at least 4 places			6	.	
7	Multiply line 3 by line 6			7		
8	Subtract line 7 from line 3			8		
9	Section A, renewable electricity production credit from partnerships, S corporations, cooperatives, estates, and trusts			9		
10	Add lines 8 and 9. Cooperatives, estates, and trusts, go to line 11; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1g			10		
11	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)			11		
12	Cooperatives, estates, and trusts. Subtract line 11 from line 10. Report the credit on Form 3800, line 1			12		

Section B. Electricity and refined coal produced at qualified facilities placed in service after October 22, 2004, and Indian coal produced at facilities placed in service after August 8, 2005

Part I Current Year Credit

Electricity produced at qualified facilities using wind, closed-loop biomass not modified for co-fire purposes, geothermal, and solar						
1	Kilowatt-hours produced and sold (see instructions)	×	0.02	1		
Electricity produced at qualified facilities using open-loop biomass, small irrigation power, landfill gas, trash combustion, and hydropower						
2	Kilowatt-hours produced and sold (see instructions)	×	.01	2		
3	Add lines 1 and 2			3		
4	Phaseout adjustment (see instructions)	\$	×	4		
5	Subtract line 4 from line 3			5		
Refined coal produced at a qualified refined coal production facility						
6	Tons produced and sold (see instructions)	×	\$5.877	6		
7	Phaseout adjustment (see instructions)	\$	×	7		
8	Subtract line 7 from line 6			8		
Indian Coal produced at a qualified Indian coal production facility						
9	Tons produced and sold (see instructions)	×	\$1.544	9		
10	Credit before reduction. Add lines 5, 8, and 9			10		
Reduction for government grants, subsidized financing, and other credits:						
11	Total of government grants, proceeds of tax-exempt government obligations, subsidized energy financing, and any federal tax credits allowed for the project for this and all prior tax years (see instructions)			11		
12	Total of additions to the capital account for the project for this and all prior tax years			12		
13	Divide line 11 by line 12. Show as a decimal carried to at least 4 places			13	.	
14	Multiply line 10 by the lesser of 1/2 or line 13			14		
15	Subtract line 14 from line 10			15		
Electricity produced at qualified closed-loop biomass facilities modified to co-fire with coal, other biomass, or both						
16	Thermal content of closed-loop biomass used in the facilities			16		
17	Thermal content of all fuels used in the facilities			17		
18	Divide line 16 by line 17. Show as a decimal carried to at least two places			18	.	
19	Kilowatt-hours produced and sold (see instructions)	×	0.02	19		
20	Multiply line 19 by line 18			20		
21	Phaseout adjustment (see instructions)	\$	×	21		

Part I *Continued*

22	Subtract line 21 from line 20	22		
23	Section B, renewable electricity, refined coal, and Indian coal production credit from partnerships, S corporations, cooperatives, estates, and trusts	23		
24	Add lines 15, 22, and 23. Partnerships and S corporations, report this amount on Schedule K; all others continue to line 25	24		
25	Renewable electricity, refined coal, and Indian coal production credit included on line 24 from passive activities (see instructions)	25		
26	Subtract line 25 from line 24	26		
27	Renewable electricity, refined coal, and Indian coal production credit allowed for 2007 from a passive activity (see instructions)	27		
28	Carryforward of renewable electricity, refined coal, and Indian coal production credit to 2007. (Note. If you have a credit from Form 8884, see instructions.)	28		
29	Carryback of renewable electricity, refined coal, and Indian coal production credit from 2008 (see instructions)	29		
30	Add lines 26 through 29. (Note. If you also have a credit from Form 6478, see instructions.) Cooperatives, estates, and trusts, go to line 31; all others, go to Part II	30		
31	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)	31		
32	Cooperatives, estates, and trusts. Subtract line 31 from line 30. Use this amount to complete Part II	32		

Part II **Allowable Credit**

33	Regular tax before credits (see instructions)	33		
34	Alternative minimum tax (see instructions)	34		
35	Add lines 33 and 34	35		
36a	Credits from Form 1040, lines 47 through 50 and lines 52 through 54 (or Form 1040NR, lines 44, 45, and 47 through 49)	36a		
b	Foreign tax credit	36b		
c	Credits from Forms 5735 and 8834	36c		
d	Alternative motor vehicle credit (Form 8910, line 18)	36d		
e	Alternative fuel vehicle refueling property credit (Form 8911, line 19)	36e		
f	Add lines 36a through 36e	36f		
37	Net income tax. Subtract line 36f from line 35. If zero, skip lines 38 through 41 and enter -0- on line 42	37		
38	Net regular tax. Subtract line 36f from line 33. If zero or less, enter -0-	38		
39	Enter 25% (.25) of the excess, if any, of line 38 over \$25,000 (see instructions)	39		
40	Subtract line 39 from line 37. If zero or less, enter -0-	40		
41	General business credit (see instructions)	41		
42	Subtract line 41 from line 40. If zero or less, enter -0-	42		
43	Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 32 or line 42. Report this amount on Form 1041, Schedule G, line 2c; or Form 1120-C, Schedule J, line 5c. If line 42 is smaller than line 32, see instructions. All others. Enter the smaller of line 30 or line 42. Report this amount on Form 1040, line 55; Form 1040NR, line 50; Form 1120, Schedule J, line 5c; or the applicable line of your return. If line 42 is smaller than line 30, see instructions	43		

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8835 to claim the renewable electricity, refined coal, and Indian coal production credit. The credit is allowed only for the sale of electricity, refined coal, or Indian coal produced in the United States or U.S. possessions from qualified energy resources at a qualified facility (see *Definitions* on page 3).

Generally, if you are a taxpayer that is not a partnership or S corporation, and your only source of this credit is from a partnership, S corporation, estate, trust, or cooperative, you are not required to complete Section A of this form. Instead, you can report this credit directly on line 1g of Form 3800. The following exceptions apply.

- You are an estate or trust and the source credit can be allocated to beneficiaries. For more details, see the Instructions for Form 1041, Schedule K-1, box 13.
- You are a cooperative and the source credit can or must be allocated to patrons. For more details, see the Instructions for Form 1120-C, Schedule J, line 5c.

How To Figure the Credit

Generally, the credit is 1.5 cents per kilowatt-hour (kWh) for the sale of electricity produced by the taxpayer from qualified energy resources at a qualified facility during the credit period (see *Definitions* on page 3). The 1.5 cents credit amount is reduced by 1/2 for open-loop biomass, small irrigation, landfill gas, trash combustion, and hydropower facilities. In the case of a closed-loop biomass facility, the 1.5 cent amount is multiplied by the ratio of the thermal content of the closed-loop biomass used in the facility to the thermal content of all fuels used in the facility. The credit is \$4.375 per ton for the sale of refined coal produced at a qualified facility

during the credit period; see section 45(e)(8)(A). The credit is \$1.50 per ton for the sale of Indian coal produced at a qualified facility during the credit period.

The credit for electricity produced is proportionately phased out over a 3-cent range when the reference price exceeds the 8-cent threshold price. The refined coal credit is proportionately phased out over an \$8.75 range when the reference price of fuel used as feedstock exceeds 1.7 times the 2002 reference price. The 1.5-cent credit rate, the 8-cent threshold price, the \$4.375 refined coal rate, and the reference price of fuel used as a feedstock are adjusted for inflation. The reference price and the inflation adjustment factor (IAF) for each calendar year are published during the year in the Federal Register. If the reference price is less than the threshold price (adjusted by the IAF), there is no reduction. For electricity produced, if the reference price is more than 3 cents over the adjusted threshold price, there is no credit; if the reference price is more than the threshold price, but not more than 3 cents over the

adjusted threshold price, there is a phaseout adjustment on line 2 of Section A and lines 4 and 21 of Section B. For refined coal produced, if the reference price is more than \$8.75 over the adjusted threshold price, there is no credit; if the reference price is more than the threshold price, but not more than the \$8.75 over the adjusted threshold price, there is a phaseout adjustment on line 7 of Section B.

Note. For calendar year 2007, the effective credit rate for electricity, refined coal, and Indian coal produced and sold is, respectively, 2.0 cents per kWh, \$5.877 per ton and \$1.544 per ton; there is no phaseout adjustment.

Section A example. If the reference price of electricity is 10.0¢ and the adjusted threshold price is 9.0¢, reduce the credit by 1/3 ((10.0¢ - 9.0¢) ÷ 3¢ = .3333). Enter the line 1 credit in the first entry space on line 2, .3333 in the second entry space, and multiply to figure the reduction.

Definitions

Resources means wind, closed-loop biomass, poultry waste, open-loop biomass, geothermal energy, solar energy, small irrigation power, municipal solid waste, hydropower production, refined coal, and Indian coal.

Closed-loop biomass is any organic material from a plant that is planted exclusively for use at a qualified facility to produce electricity.

Poultry waste is poultry manure and litter, including wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.

Open-loop biomass is solid, nonhazardous, cellulosic waste material; lignin material; or agricultural livestock waste nutrients as defined in section 45(c)(3). See Notice 2006-88, 2006-42 I.R.B. 686, for rules related to open-loop biomass, including an expanded definition of a qualified facility and rules related to sales.

Geothermal energy is energy derived from a geothermal deposit as defined by section 613(e)(2).

Small irrigation power is power generated without any dam or impoundment of water. See section 45(c)(5).

Municipal solid waste is solid waste as defined under paragraph 27 of 42 U.S.C. 6903.

Refined coal is a liquid, gaseous, or solid fuel produced from coal or high carbon fly ash meeting the requirements of section 45(c)(7).

Hydropower production means the incremental hydropower production for the tax year from any hydroelectric dam placed in service on or before 8/8/2005 and the hydropower production from any nonhydroelectric dam described in section 45(c)(8)(C).

Indian coal means coal which is produced from coal reserves which on 6/14/05 were owned by an Indian tribe or held in trust by the United States for the benefit of an Indian tribe or its members.

Qualified facility is any of the following facilities owned by the taxpayer and used to produce electricity or, in the case of coal production facilities, refined and Indian coal. The facilities are broken down by form section.

Section A

- Poultry waste facility placed in service after 12/31/99 and before 1/1/05.
- Wind facility placed in service after 12/31/93 and before 10/23/04.

- Closed-loop biomass facility placed in service after 12/31/92 and before 10/23/04.

Section B

- Wind facility placed in service after 10/22/04 and before 1/1/09.
- Closed-loop biomass facility placed in service after 10/22/04 and before 1/1/09.
- Closed-loop biomass facility modified to co-fire with coal or other biomass (or both), placed in service before 1/1/09. See section 45(d)(2).
- Open-loop biomass facility using cellulosic waste placed in service before 1/1/09.
- Open-loop biomass facility using agricultural livestock waste placed in service after 10/22/04 and before 1/1/09 and the nameplate capacity rating is not less than 150 kilowatts.
- Geothermal energy facility placed in service after 10/22/04 and before 1/1/09.
- Solar energy facility placed in service after 10/22/04 and before 1/1/06.
- Small irrigation power facility placed in service after 10/22/04 and before 1/1/09.
- Landfill gas or trash combustion facility using municipal solid waste placed in service after 10/22/04 and before 1/1/09.
- A refined coal production facility originally placed in service after 10/22/04 and before 1/1/09.
- Hydropower facility producing incremental hydroelectric production attributable to efficiency improvements or additions to capacity described in section 45(c)(8)(B) placed in service after 8/8/05 and before 1/1/09 and any other facility producing qualified hydroelectric production described in section 45(c)(8) placed in service after 8/8/05 and before 1/1/09.
- Indian coal production facility placed in service before 1/1/09.

A qualified facility does not include a refined coal production facility or landfill gas facility using municipal solid waste to produce electricity, if the production from that facility is allowed as a credit under section 45K.

Credit period is:

- 10 years for a wind, poultry waste, closed-loop biomass (not modified for co-fire purposes), or refined coal production facility, beginning on the date the facility was placed in service.
- 10 years for a closed-loop biomass facility modified to co-fire with coal, other biomass (or both), beginning on the date the facility was placed in service, but not earlier than 10/22/04.
- 10 years for a hydropower facility, beginning on the date the efficiency improvements or additions to capacity are placed in service.
- 7 years for an Indian coal production facility, beginning on the date the facility was placed in service, but not before 1/1/2006.
- 5 years for an open-loop biomass facility using agricultural livestock waste, geothermal, solar energy, small irrigation power, landfill gas, or trash combustion facility, beginning on the date the facility was placed in service, if placed in service during the period after 10/22/04 and before 8/9/05. The credit period is 10 years if placed in service after 8/8/05.
- 5 years for an open-loop biomass facility using cellulosic waste, beginning on the date the facility was placed in service, but not earlier than 1/1/05.

United States and U.S. possessions include the seabed and subsoil of those submarine

areas that are adjacent to the territorial waters over which the United States has exclusive rights according to international law.

Who Can Take the Credit

Generally, the owner of the facility is allowed the credit. In the case of closed-loop biomass facilities modified to co-fire with coal, other biomass, or both and open-loop biomass facilities, if the owner is not the producer of the electricity, the lessee or the operator of the facility is eligible for the credit.

Specific Instructions for Section A and Section B

Note. Where line references between Section A and B differ, the Section B line references are in parentheses.

Figure any renewable electricity, refined coal, and Indian coal production credit from your trade or business on lines 1 through 8 (lines 1 through 22 of Section B). Skip lines 1 through 8 (lines 1 through 22 of Section B) if you are only claiming a credit that was allocated to you from an S corporation, partnership, cooperative, estate, or trust.

Fiscal year taxpayers. If you have sales in 2007 and 2008 and the credit rate on line 1 (lines 1, 2, 6, 9, or 19 of Section B) or the phaseout adjustment on line 2 (lines 4, 7, or 21 of Section B) is different for 2008, make separate computations for each line. Use the respective sales, credit rate, and phaseout adjustment for each calendar year. Enter the total of the two computations on the credit rate line(s)—line 1 (lines 1, 2, 6, 9, or 19 of Section B)—or the phaseout adjustment line(s)—line 2 (lines 4, 7, or 21 of Section B). Attach the computations to Form 8835 and write "FY" in the margin.

Part I—Current Year Credit

Line 1 (Line 19, Section B)

Enter the kilowatt-hours of electricity produced at qualified facilities and multiply by \$.02. Fiscal year filers with 2008 sales may have to refigure lines 1 and 19 as explained under *Fiscal year taxpayers* above.

Line 2, Section B only

Enter the kilowatt-hours of electricity produced and sold at qualified facilities and multiply by \$.01. Fiscal filers with 2008 sales must figure line 2 as explained under *Fiscal year taxpayers* above.

Line 2, Section A (Lines 4 and 21, Section B)

Calendar year filers enter zero on lines 2, 4, and 21. Fiscal year filers with sales in 2008 also enter zero if the published 2008 reference price is equal to or less than the 2008 adjusted threshold price. See *How To Figure the Credit* on page 2 to figure the adjustment.

Line 6, Section B only

Enter the tons of refined coal produced and sold during 2007 from a qualified refined coal production facility and multiply by \$5.877. Fiscal filers with 2008 sales must figure line 6 as explained under *Fiscal year taxpayers* above.

Line 7, Section B only

Calendar year filers enter zero on line 7. Fiscal year filers with sales in 2008 also enter zero if the published 2008 reference price is equal to or less than 1.7 times the 2002 reference price. See *How To Figure the Credit* on page 2 to figure the adjustment.

Line 9, Section B only

Enter the tons of Indian coal produced and sold from a qualified Indian coal facility and multiply by \$1.544.

Line 4, Section A (Line 11, Section B)

Enter the sum, for this and all prior tax years, of:

- Grants provided by the United States, a state, or political subdivision of a state for the project;
- Proceeds of a tax-exempt issue of state or local government obligations used to provide financing for the project;
- Total of subsidized energy financing provided directly or indirectly under a federal, state, or local program provided for the project; and
- The amount of any federal tax credit allowable for any property that is part of the project.

Line 25, Section B

Enter the amount included on line 24 that is from a passive activity. Generally, a passive activity is a trade or business in which you did not materially participate. Rental activities are generally considered passive activities, whether or not you materially participate. For details, see Form 8582-CR, Passive Activity Credit Limitations (for individuals, trusts, and estates), or 8810, Corporate Passive Activity Loss and Credit Limitations (for corporations).

Line 27, Section B

Enter the passive activity credit allowed for the 2007 renewable electricity, refined coal, and Indian coal production credit from Form 8582-CR or Form 8810.

Line 28, Section B

Carryforward credit from Form 8884. If you have a carryforward credit from Form 8884, include that amount in the total for line 28. On the dotted line next to line 28, enter "From Form 8884" and the amount.

Line 29, Section B

Use only if you amend your 2007 return to carry back an unused renewable electricity, refined coal, and Indian coal production credit from 2008.

Line 30, Section B

Credit from Form 6478. If you have a current year credit from Form 6478 (line 13 for cooperatives, estates, and trusts; line 11 for all others), include that amount in the total for line 30. On the dotted line next to line 30, enter "From Form 6478" and the amount.

Line 11, Section A (Line 31, Section B)

Cooperative election to allocate credit to patrons. A cooperative described in section 1381(a) can elect to allocate any part of the renewable electricity, refined coal, and Indian coal production credit among the patrons of the cooperative. The credit is allocated among the patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for such patrons for the tax year.

The cooperative is deemed to have made the election by completing line 11 or line 31, as applicable. However, the election is not effective unless (a) made on a timely filed return (including extensions) and (b) the organization designates the apportionment in a written notice mailed to its patrons during the payment period described in section 1382(d).

If you timely file your return without making an election, you can still make the election by filing an amended return within 6 months of the due date of the return (excluding extensions). Enter "Filed pursuant to section 301.9100-2" on the amended return.

Once made, the election cannot be revoked.

Estates and trusts. Allocate the credit on line 10 (line 30 of Section B) between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries' share on line 11 (line 31 of Section B).

Part II—Allowable Credit

The credit allowed for the current year may be limited based on your tax liability. If you are completing Section B, you must complete Part II to figure the allowable credit. If you are completing Section A, you must file Form 3800, General Business Credit, to figure the allowable credit.

Line 33, Section B

Enter the regular tax before credits from the following line of the appropriate form or schedule.

- Individuals. Enter the amount from Form 1040, line 44 (or Form 1040NR, line 41).
- Corporations. Enter the amount from Form 1120, Schedule J, line 2, or the applicable line of your return.
- Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return.

Line 34, Section B

Enter the alternative minimum tax (AMT) from the following line of the appropriate form or schedule.

- Individuals. Enter the amount from Form 6251, line 35.
- Corporations. Enter the amount from Form 4626, line 14.
- Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56.

Line 36c, Section B

Enter any American Samoa economic development credit and any qualified electric vehicle credit allowed for the current year.

Line 39, Section B

See section 38(c)(5) for special rules that apply to married couples filing separate returns, controlled groups, regulated investment companies, real estate investment trusts, and estates and trusts.

Line 41, Section B

Enter the amount of the general business credit allowed for the current year. For purposes of this line, that amount is the total of line 19 of Form 3800 and line 26 of Form 8844.

Line 43, Section B

The credit allowed for the current year must be applied in the following order.

- Carryforward of the New York Liberty Zone business employee credit.
- Carryforward of the renewable electricity, refined coal, and Indian coal production credit from Section B.
- Current year credit from Section B and any current year credit from Form 6478. **Note.** There is no ordering rule to differentiate between these two credits.

If you cannot use all of the credit because of the tax liability limit, carry any unused current year credit back 1 year and then forward up to 20 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 time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping	21 hr., 16 min.
Learning about the law or the form	1 hr.
Preparing and sending the form to the IRS	1 hr., 22 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.