

**Agricultural Chemicals  
 Security Credit**  
 ▶ Attach to your tax return.  
 ▶ See instructions.

**Rev. December 2008**

Name shown on return		Identifying number		
		Facility		
		(a)	(b)	(c)
<b>1</b>	Enter on the applicable line below the qualified agricultural chemicals security expense described. See instructions.			
<b>a</b>	Employee security training and background checks	<b>1a</b>		
<b>b</b>	Limitation and prevention of access to controls of agricultural chemicals stored	<b>1b</b>		
<b>c</b>	Tagging, locking tank valves, and chemical additives to prevent theft or to render chemicals unfit for illegal use	<b>1c</b>		
<b>d</b>	Perimeter protection of agricultural chemicals	<b>1d</b>		
<b>e</b>	Installation of security lighting, cameras, recording equipment, and intrusion detection sensors	<b>1e</b>		
<b>f</b>	Implementation of measures to increase computer or computer network security	<b>1f</b>		
<b>g</b>	Conducting a security vulnerability assessment	<b>1g</b>		
<b>h</b>	Implementing a site security plan	<b>1h</b>		
<b>2</b>	Total qualified agricultural chemicals security expense. Add the amounts in column (a), (b), and (c) on line 1a through 1h	<b>2</b>		
<b>3</b>	Multiply the amounts in column (a), (b), and (c) on line 2 by 30%	<b>3</b>		
<b>4</b>	Maximum credit per facility	<b>4</b>	<del>\$100,000</del>	<del>\$100,000</del> <del>\$100,000</del>
<b>5</b>	Agricultural chemicals security credit. Enter the smaller of line 3 or 4 for each facility. For additional facilities, see instructions	<b>5</b>		
<b>6</b>	<b>Add the amounts for all facilities on line 5. Enter the result, but not more than \$2,000,000.</b> Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1v	<b>6</b>		

Enter \$100,000 reduced by the amount of credit claimed for the facility in the 5 prior years (see instructions) .....

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

Use Form 8931 to claim the tax credit for qualified agricultural chemical security expenses paid or incurred by eligible agricultural businesses. All expenses shall be for the purpose of protecting specified agricultural chemicals at a facility.

The credit is part of the general business credit. Your deductible expenses are reduced by the portion of expenses otherwise allowed as a credit.

If you have more than one facility, the expenses are reported in columns (a), (b), and (c) as may be needed. If you have more than three facilities, see Four or More Facilities below.

**Who Can Claim the Credit**

An eligible agricultural business which paid or incurred qualified agricultural chemical security expenses after May 22, 2008 may claim the credit. This would include an eligible individual, corporation, partnership, S corporation, estate, or trust.

It can be used by a fiscal year entity whose tax year begins in 2007 and ends in 2008. See the instructions for Line 6 later.

All members of the same controlled group shall be treated as a single taxpayer. All trades or businesses (whether or not incorporated) which are under common control shall also be treated as a single taxpayer. Rules similar to the rules of Section 41(f), paragraphs (1) and (2) shall apply.

**Definitions**

**Eligible Agricultural Business**

Eligible agricultural businesses are businesses that: (1) sell agricultural products, including specified agricultural chemicals, at retail predominantly to farmers and ranchers; or (2) manufacture, formulate, distribute, or aerially apply specified agricultural chemicals.

**Qualified Chemical Security Expense**

A qualified chemical security expense means, with respect to any eligible agricultural business, any amount paid or incurred for the purpose of protecting specified agricultural chemicals.

**Specified Agricultural Chemicals**

A specified agricultural chemical is either of the following:

1. Fertilizer commonly used in agricultural operations which is listed under any of the following.

Change "Note" to "Line 5" and place "Total of all facilities" in quotes

- Section 302(a)(2) of the Emergency Planning and Community Right-to Know Act of 1986.
- Section 101 of part 172 of title 49, Code of Federal Regulations.
- Part 126, 127, or 154 of title 33, Code of Federal Regulations.

2. Any pesticide (as defined in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act) including all active and inert ingredients which are used on crops grown for food, feed, or fiber.

### Specific Instructions

Enter only expenses to the extent they are paid or incurred for the purpose of protecting specified agricultural chemicals.

**Line 1a.** Enter expenses for employee security training and background checks.

**Line 1b.** Enter expenses for limitation and prevention of access to controls of specified agricultural chemicals stored at the facility.

**Line 1c.** Enter expenses for tagging, locking tank valves, and chemical additives to prevent the theft of specified agricultural chemicals or to render such chemicals unfit for illegal use.

**Line 1d.** Enter expenses for protection of the perimeter of areas where specified agricultural chemicals are stored.

**Line 1e.** Enter expenses for installation of security lighting, cameras, recording equipment, and intrusion detection sensors.

**Line 1f.** Enter expenses for implementation of measures to increase computer or computer network security.

**Line 1g.** Enter expenses for conducting a security vulnerability assessment.

**Line 1h.** Enter expenses for implementing a site security plan.

**Line 5.** The maximum credit for each facility is \$100,000. The maximum is reduced by the credit taken in each year, so that the credit taken in any future year cannot exceed an amount equal to \$100,000 less the credit taken this year. Over the 5-year period beginning this year, the total credit claimed for each facility cannot exceed \$100,000.

for such facility

of the 5 prior tax years. The credit applies only to qualified agricultural chemical security expenditures paid or incurred after May 22, 2008.

~~Note.~~ If you have additional facilities (more than three facilities), complete and attach as many Forms 8931 as you need. If you have more than three facilities, also attach an additional Form 8931 showing the total of all the facilities and write Total of all facilities at the top of the form.

**Line 6.** Enter the total credit for all facilities. The amount of the credit for any taxpayer for any taxable year ~~shall not~~ exceed \$2,000,000. **cannot**

**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-XXXX 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.

<b>Recordkeeping</b> . . . . .	XX hrs.
<b>Learning about the law or the form</b> . . . . .	XX hrs.
<b>Preparing and sending the form to the IRS</b> . . . . .	XX hrs.

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.

For fiscal year entities whose tax year begins in 2007 and ends in 2008, with qualified agricultural chemical security expenditures paid or incurred after May 22, 2008, during such tax year, report the credit on the 2007 Form 3800, line 2. Write "ACSC" next to line 2.

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