

2008 Form 6478, Alcohol and Cellulosic Biofuel Fuels Credit

Purpose: This is the first circulated draft of the 2008 Form 6478, Alcohol and Cellulosic Biofuel Fuels 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 2007 Form 6478 is available at:

<http://www.irs.gov/pub/irs-pdf/f6478.pdf>

Instructions: The Form 6478 instructions will be circulated later. To review the instructions for the 2007 version of Form 6478, use the link above.

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 and email the reviewer, William Woolf, Jr. @ William.P.Woolf@irs.gov by **October 28, 2008**.

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Major Changes to the 2008 Form 6478

1] P.L.110-234, sec. 15321 (Farm Bill) allows a new credit under IRC sec. 40 for cellulosic biofuels produced after December 31, 2008. Therefore:

- The form is renamed "Alcohol and Cellulosic Biofuel Fuels Credit."
- Eight lines are added to the form (replacing old lines 2 and 3) to accommodate the varying proofs, mixtures, and rates for the alcohol fuels and new cellulosic fuels. The subsequent lines, and the line references within, are renumbered.
- The text "alcohol" is removed from the heading of column "(a)."
- On line 1 the text "(other than cellulosic biofuel)" is added after the text "Qualified ethanol..."

- On lines 13, 15, 17, and 18 (old lines 5, 7, 9, and 10), the text "and cellulosic biofuel fuels" is added, replacing the text "fuel."
- Further regarding line 18 (old line 10): the text "of the alcohol fuel credit" is added after the text "Carryforward from 2007..." because that was the name of the credit in 2007 and because the credit's new name is added further along in the sentence, regarding carrybacks.

2] Earlier legislative changes made our draft form and instructions exceed four pages so we were planning to separate the form and instructions. Therefore, text was added at the top (under the title) and at the bottom of the form (in the Paperwork Reduction Act area) to indicate the separation. However, recent legislation has allowed us to reduce the size of our instructions so that the form and instructions will again fit on four pages. So we will remove the text described above before we release a draft of this product on irs.gov.

3] Underneath line 21 (old line 13), in the second sentence of the asterisk note, text is added ("through...") to indicate the line reference renumbering.

4] Part II is deleted to conform to the 3rd WRN for the 2008 Form 3800, which now calculates the allowable credit for all credits allowed against AMT, including the alcohol and cellulosic biofuel fuels credit.

Therefore, the Part I heading is deleted and lines 19 and 21 are rewritten to indicate where to report the credit on the revised Form 3800.

P.L. 110-289, sec 3022, allowed the low-income housing credit and the rehabilitation credit to be used against AMT after 2007, necessitating the Form 3800 expansion.

5] Besides the usual places, the year is updated on lines 12, 17, and 18 (old lines 4, 9, and 10).