

2008 Instructions for Form 3800, General Business Credit

Purpose: This is the first circulated draft of the 2008 Instructions for Form 3800 for your review and comments. The form was circulated separately at an earlier date. See below for a discussion of the major changes.

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

Prior Version: The 2007 Instructions for Form 3800 are available at: <http://www.irs.gov/pub/irs-pdf/i3800.pdf>

Other Products: Circulations of draft tax forms, instructions, notices, and publications are posted at: <http://taxforms.web.irs.gov/Circulations/index.htm>

Comments: Please email, fax, call, or mail any comments by **November 24, 2008**.

Comments should also be sent to the reviewer at Sharon.A.Dewsbury@irs.gov

Mike Cyrus

Tax Forms and Publications

SE:W:CAR:MP:T:B:C

Email: Michael.R.Cyrus@irs.gov

Ph: 202.927.9545

Fax: 202.622.3262

Major Changes to the 2008 Instructions for Form 3800

1] The **What's New** area is rewritten to account for the following:

a] The qualified railroad track maintenance credit is extended and now allowed to offset AMT and the line for the credit is removed from line 1t to new line 29g. P.L. 110-343 sec. 316, Div C

b] Four new credits added:

- **Line 1t** - Credits for affected Midwestern disaster area employers (Form 5884-A) P.L. 110-343 sec. 319, Div. C
- **Line 1v** - Agricultural chemicals security credit (Form 8931) P.L.110-234, sec. 15343
- **Line 1w** - Credit for employer differential wage payments (Form 8932) P.L. 110-245, sec. 111
- **Line 1x** - Carbon dioxide sequestration credit (Form 8933) P.L. 110-343 sec. 115, Div. B

c] The removal from **line 1u** of the Hurricane Katrina housing credit from pass-through entities as it can no longer be claimed, because of the expiration of IRC 1400P and there is no longer a possibility of the credit still being received from a pass-thru entity with a fiscal year overlapping the expiration date, 6/30/06.

d] An EIN request added to **line 1r**, to address TIGTA compliance concerns.

e] The removal of the reference to Form 5735 from line **12c**, and lines 12a and b are reversed in order to conform to the 2008 form 1040.

2] Under **General Instructions**, a section on the election to accelerate the research credit is added. P.L. 110-289, Sec. 3081

3] The Hurricane Katrina housing credit is removed from, and the four new credits are added to, the list of credits under **Credit Ordering Rule**. See 1b and 1c above.

4] The **line 6** instructions are changed to include all of the general business credits allowed against AMT. See #6 below.

5] **Line 18b** instructions are added to account for the new election to accelerate the research credit's "bonus depreciation amount." This includes an added worksheet. P.L. 110-289, Sec. 3081

6] **Line 20 and 32** instructions are added to account for the expansion of the form to accommodate all of the general business credits allowed against AMT.

Justification for the expansion of the form 3800: P.L. 110-289, Sec. 3022, allows the low-income housing credit and the rehabilitation credit to be used against AMT after 2007.

Part II was extended to incorporate the new low-income housing credit and the rehabilitation credit that are allowed against AMT. As a result, lines 20 through 32 were added to Part II to calculate the allowable credit for all credits allowed against AMT. This change allows for an easier addition of future credits allowed against AMT.

7] All references to 2007 are changed to 2008, and other year references are updated where necessary.