

**2008 Form 1120 U.S. Corporation
Income Tax Return**

Purpose: This is the THIRD circulated draft of the 2008 Form 1120 for your review and comments. See below for a discussion of the changes made. Only the changes since the second circulation are discussed.

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

Prior Version: The 2007 Form 1120 is available at:
<http://www.irs.gov/pub/irs-pdf/f1120.pdf>.

Instructions: The 2008 Instructions for Form 1120 will be circulated at a later date. The 2007 instructions are available at:
<http://www.irs.gov/pub/irs-pdf/i1120.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 to me and email the reviewer at Joan.A.McAlpine@irs.gov by September 11, 2008.

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Major Changes to the 2008 Form 1120

We have made the following changes to Form 1120 per P.L. 110-289, the Housing and Economic Recovery Act of 2008.

**Page 1
Line 32g**

Under section 3081 of PL 110-289, corporations may elect to claim additional research and minimum tax credits in lieu of claiming the additional first year depreciation under section 168(k) for certain property. The increase in allowable credit is treated as refundable. Accordingly, we have added line 32g to page 1 of Form 1120 for corporations to use for this credit. The credit is carried to Form 1120 from line 19c of Form 3800 and line 8c of Form 8827. We have renumbered former line 32g as 32h, and changed the references on lines 32 and 35.

**Page 3
Schedule J
Line 5c**

Under section 3022 of P.L. 110-289, the low-income housing tax credit and the rehabilitation credit may offset the alternative minimum tax. Form 3800, General Business Credit, will now contain the calculation of the tax liability limitation. It will no longer be figured separately on Forms 8844, 8835, 5884, 6478, and 8846. Accordingly, we have eliminated the check boxes on Form 1120, page 3, Schedule J, Tax Computation, line 5c, General business credit.