

Caution: DRAFT FORM

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Section B—Alternative Incremental Credit *(continued)*

38	Multiply line 34 by 3% (.03)		38	
39	Multiply line 37 by 4% (.04)		39	
40	Multiply line 36 by 5% (.05)		40	
41	Add lines 23, 38, 39, and 40		41	
42	Are you electing the reduced credit under Section 280C? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 41 by 65% (.65). If "No," enter the amount from line 41 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached		42	

Section C—Alternative Simplified Credit. Skip this section if you are completing Section A or B.

43	Certain amounts paid or incurred to energy consortia (see the line 1 instructions)		43	
44	Basic research payments to qualified organizations (see the line 2 instructions)	44		
45	Qualified organization base period amount (see the line 3 instructions)	45		
46	Subtract line 45 from line 44. If zero or less, enter -0-		46	
47	Add lines 43 and 46		47	
48	Multiply line 47 by 20% (.20)		48	
49	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	49		
50	Cost of supplies	50		
51	Rental or lease costs of computers (see the line 7 instructions)	51		
52	Enter the applicable percentage of contract research expenses (see the line 8 instructions)	52		
53	Total qualified research expenses. Add lines 49 through 52	53		
54	Enter your total qualified research expenses for the prior 3 tax years. If you had no qualified research expenses in any one of those years, skip lines 55 and 56	54		
55	Divide line 54 by 6.0	55		
56	Subtract line 55 from line 53. If zero or less, enter -0-	56		
57	Multiply: • Line 56 by 12% (.12) for tax years ending before 2009, • Line 56 by 14% (.14) for tax years ending after 2008, or • Line 53 by 6% (.06) if you skipped lines 55 and 56.		57	
58	Add lines 48 and 57		58	
59	Are you electing the reduced credit under Section 280C? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> If "Yes," multiply line 58 by 65% (.65). If "No," enter the amount from line 58 and see the line 17 instructions for the schedule that must be attached. Members of controlled groups or businesses under common control: see instructions for the schedule that must be attached		59	

Section D—Summary

60	Enter the portion of the credit from Form 8932, line 2, that is attributable to wages that were also used to figure the credit on line 17, line 42, or line 59 (whichever applies)	60	
61	Subtract line 60 from line 17, line 42, or line 59 (whichever applies). If zero or less, enter -0-	61	
62	Credit for increasing research activities from partnerships, S corporations, estates, and trusts	62	
63	Add lines 61 and 62. Estates and trusts go to line 64; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on line 1c of Form 3800	63	
64	Amount allocated to beneficiaries of the estate or trust (see instructions)	64	
65	Estates and trusts: subtract line 64 from line 63. Report the credit on line 1c of Form 3800	65	