

IMPLEMENTATION PLAN for 8912

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P.L. 111-5, American Recovery and Reinvestment Act of 2009

Action Number	Act Section	IRC Section	Description of Action	Date Type	Effective Date	Target Date	Actual Date
66.00087	1521	54F	Revise product to reflect qualified school construction bonds.	A	17-FEB-2009	17-APR-2009	
66.00090	1531	54AA	Revise product to reflect build America bonds.	A	17-FEB-2009	17-APR-2009	

P.L. 110-343, Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (Division C)

Action Number	Act Section	IRC Section	Description of Action	Date Type	Effective Date	Target Date	Actual Date
66.00424	313		Revise product to add reference to qualified zone academy bonds, in regard to the credit for holders of tax credit bonds	A	04-OCT-2008	26-DEC-2008	
66.00429	702(d)		Revise product to reflect changes to the credit for holders of tax credit bonds.	A	31-DEC-2008	26-DEC-2008	
66.00431	702(d)		Revise product to reflect the expiration of the credit for holders of Midwestern tax credit bonds.	A	31-DEC-2008	23-DEC-2010	

P.L. 110-343, Energy Improvement and Extension Act of 2008 (Division B)

Action Number	Act Section	IRC Section	Description of Action	Date Type	Effective Date	Target Date	Actual Date
66.00154	107		Revise product to reflect the credit for new clean renewable energy bonds.	A	03-OCT-2008	26-DEC-2008	
66.00157	301(a)		Revise product to reflect the new credit for qualified energy conservation bonds.	A	03-OCT-2008	26-DEC-2008	

P.L. 110-246, Food, Conservation, and Energy Act of 2008

Action Number	Act Section	IRC Section	Description of Action	Date Type	Effective Date	Target Date	Actual Date
66.00041	15316	54A 54B	Revise product to reflect the credit to holders of qualified tax credit bonds (qualified forestry conservation bonds).	A	22-MAY-2008	26-DEC-2008	

Total Action Items: 8

Memo of Major Changes for 2008 Form 8912, Credit to Holders of Tax Credit Bonds

Due to legislative changes, the form has undergone a major revision. Form 8912 is now used to claim credits for the following bonds.

- Clean renewable energy bond (CREB).
- Gulf tax credit bond (GTCB).
- Midwestern tax credit bond (MTCB).
- Qualified forestry conservation bond (QFCB).
- New clean renewable energy bond (NCREB).
- Qualified energy conservation bond (QECB).
- Qualified zone academy bond (QZAB). (**Note:** Beginning in 2008, holders of QZAB's that previously figured their credit on Form 8860, Qualified Zone Academy Bond Credit, must now use Form 8912 to figure their credit. Form 8860 has been obsoleted for tax years beginning after 2007.)
- Qualified school construction bond (QSCB).
- Build America bond (BAB). (**Note:** The method used to calculate the amount of credit attributable to a BAB is slightly different than the method used for the other bonds. When applicable, text has been added to the form and instructions to explain the differences.)

To reflect these changes, the title of Form 8912 has been changed to "Credit to Holders of Tax Credit Bonds." Throughout the form and instructions, all year references and line references have been updated as appropriate.

Part I

In Part I, the designations "Section A" and "Section B" have been deleted. In essence, the sections have been combined and expanded to allow for the reporting of additional tax credit bonds.

Lines 1 through 3 of Part I are now used to report certain literal information about the bond. Line 4 is used to calculate the initial amount of the credit. Line 5 is used to add together the amounts from line 4(f). New line 6 was added as a result of the credit limitation for NCREBs and QECBs based on PL 110-343, Div. B, sections 107 and 301. Line 7 is used if the taxpayer has more than one tax credit bond to report. Lines 8 through 11 of the 2008 Form 8912 serve the same function as lines 9 through 12 of the 2007 Form 8912. The text on the new line 9 was revised to clarify that estates and trusts can only allocate credits related to CREBs, GTCBs, and MTCBs.

Part II

Overall, lines 12 through 17 of the 2008 Form 8912 serve the same purpose as lines 13 through 20 of the 2007 Form 8912. We have made the following specific changes to the 2008 Form 8912.

- On line 15, the order of “Foreign tax credit” and “Personal credits from Form 1040 or 1040NR” has been switched, so “Foreign tax credit” now comes before “Personal Credits”. This was done because PL 110-343, Division C, Section 101, extends IRC 26(a)(2) through 2008.
- On line 15c, the reference to Form 5735, American Samoa Economic Development Credit, has been deleted because the credit expired.
- Line 16h from the 2007 Form 8912 (the line used to report the amount from line 9 of Form 8860) was not carried over to the 2008 Form 8912. This was not carried over because Form 8860 is not used for tax years beginning after 2007.
- Lines 18, 19, and 20 of the 2007 Form 8912 have been condensed into line 17 of the 2008 Form 8912. Since the credit to holders of tax credit bonds is now calculated in a combined manner, there is no longer the need for the lines used to calculate the credits in a separate manner.

Instructions

The instructions were revised to make all the necessary references and explanations that pertain to the credits on the form. The following specific changes were made.

- In the “What’s New” section, we list the both the name of the new tax credit bonds and the name of the legislation that created each bond.
- Under “Purpose of Form”, we list the full name of the bond and the abbreviation used on Form 8912 when referring to the bond. We added text for holders of BABs to explain the different rules that apply to them. We added a paragraph stating that holders of QZABs for tax years beginning after 2007 must use Form 8912 to claim the credit.
- Under “Who Can Claim the Credits,” we introduce the term “qualified tax credit bond” and explain that this term refers to bonds that are not CREBs, GTCBs, MTCBs, BABs, or QZABs issued before 10/04/2008. We also added text to highlight the differences in claiming the credit for QZABs issued before 10/04/08, and QZABs issued after 10/03/2008. We added a paragraph for holders of BABs to explain the different rules that apply to them.

- Under “Definitions,” we added text to define an MTCB, a QFCB, an NCREB, a QECCB, a QZAB, a QSCB, and a BAB.
- Under “Specific Instructions,” we updated the line references so they correspond with the line changes.
- As necessary in the instructions for line 4, we added text relating to MTCBs, qualified tax credit bonds, QZABs issued before 10/04/08, and BABs. Of particular importance was the text added to the instructions for column (b) stating that a BAB will enter the amount of interest payable, the text added to the instructions for column (c) stating that the credit rate for a BAB is 35%, and the text added to the instructions for column (e) noting that the figure of 100% is entered for a BAB or a QZAB issued before 10/04/2008.
- In the instructions for line 17, we expanded the instructions that pertain to an unused credit. We added a heading to existing text to explain that that text only applies to an unused credit from a CREB, GTCB, MTCB, or QZAB issued before 10/04/2008. We added a new paragraph for an unused credit from a qualified tax credit bond or BAB.