

Qualified Electric and Plug-in Electric Vehicle Credit

▶ **Attach to your tax return.**

Name(s) shown on return

Identifying number

Part I Qualified Electric Vehicle Credit

Caution. This part only applies to qualified electric vehicle passive activity credits from prior years (allowed on Form 8582-CR or Form 8810 for the current tax year).

1	Qualified electric vehicle passive activity credits allowed for your current tax year (see instructions)				1		
2	Regular tax before credits (see instructions)				2		
3	Credits that reduce regular tax before the qualified electric vehicle credit:						
a	Personal credits from Form 1040 or Form 1040NR (see instructions)	3a					
b	Foreign tax credit	3b					
c	American Samoa economic development credit (Form 5735)	3c					
d	Add lines 3a through 3c				3d		
4	Net regular tax. Subtract line 3d from line 2. If zero or less, stop here; do not file this form unless you are claiming the qualified plug-in electric vehicle credit in Part II				4		
5	Tentative minimum tax (see instructions)				5		
6	Subtract line 5 from line 4. If zero or less, stop here; do not file this form unless you are claiming the qualified plug-in electric vehicle credit in Part II				6		
7	Qualified electric vehicle credit. Enter the smaller of line 1 or line 6. Report the total of this amount and the amount (if any) from line 26 on the appropriate line of your return (see instructions). If line 6 is smaller than line 1, see instructions ▶				7		

Part II Qualified Plug-In Electric Vehicle Credit

Section A—Vehicle Information

Use a separate column for each vehicle. If you need more columns, use additional Forms 8834 and include the totals on lines 18 and 25.

		(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3
8	Year, make, and model of vehicle	8		
9	Enter date vehicle was placed in service (MM/DD/YYYY)	9	/ /	/ /
10	Cost of the vehicle	10		

Next: If you did NOT use your vehicle for business or investment purposes and did not have a credit from a partnership or S corporation, skip Section B and go to Section C. All others, go to Section B.

Section B—Credit for Business/Investment Use Part of Vehicle

11	Business/investment use percentage (see instructions)	11	%	%	%
12	Multiply line 10 by line 11	12			
13	Section 179 expense deduction (see instructions)	13			
14	Subtract line 13 from line 12	14			
15	Multiply line 14 by 10% (.10)	15			
16	Maximum credit per vehicle	16	2,500 00	2,500 00	2,500 00
17	Enter the smaller of line 15 or line 16	17			
18	Add columns (a) through (c) on line 17				18
19	Qualified plug-in electric vehicle credit from partnerships and S corporations				19
20	Business/investment use part of credit. Add lines 18 and 19. Partnerships and S corporations, report this amount on Schedule K; all others, see instructions				20

Section C—Credit for Personal Use Part of Vehicle

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3
21 If you skipped Section B, enter the amount from line 10. If you completed Section B, subtract line 12 from line 10			
22 Multiply line 21 by 10% (.10)			
23 Maximum credit per vehicle. If you skipped Section B, enter \$2,500. If you completed Section B, subtract line 17 from line 16			
24 Enter the smaller of line 22 or line 23			
25 Add columns (a) through (c) on line 24			25
26 Regular tax before credits (see instructions)			26
27 Alternative minimum tax (see instructions)			27
28 Add lines 26 and 27			28
29 Credits that reduce regular tax before the qualified plug-in electric vehicle credit:			
a Personal credits from Form 1040 or Form 1040NR (see instructions)	29a		29c
b Foreign tax credit	29b		
c Add lines 29a and 29b			
30 Net income tax. Subtract line 29c from line 28. If zero or less, stop here; do not file this form unless you are claiming a credit on line 7 or line 20			30
31 Personal use part of credit. Enter the smaller of line 25 or line 30. Report the total of this amount and the amount (if any) from line 7 on the appropriate line of your return (see instructions). If line 30 is smaller than line 25, see instructions			31

General Instructions

Section references are to the Internal Revenue Code.

What's New

The American Recovery and Reinvestment Act of 2009 allows a new qualified plug-in electric vehicle credit equal to 10 percent of the cost (but not more than \$2,500) of any qualified plug-in electric vehicle placed in service after February 17, 2009. See ~~Part II~~ below.

<ital>Part II. Qualified Plug-in Electric Vehicle Credit</ital> on page 3.

Purpose of Form

Use Form 8834 to claim any qualified electric vehicle passive activity credits from prior years (allowed on Form 8582-CR or Form 8810 for the current tax year (**Part I**), and the qualified plug-in electric vehicle credit (**Part II**)).

Roman text

Recapture of the Qualified Electric Vehicle Credit

If the vehicle no longer qualifies for the qualified electric vehicle credit within 3 years of the date you placed it in service, you must recapture part or all of the credit. The property will cease to qualify if it is changed in either of the following ways.

1. The vehicle is modified so that it is no longer primarily powered by electricity.
2. It becomes nonqualifying property.

Generally, no recapture occurs on the sale or other disposition of the vehicle (including a disposition resulting from an accident or other casualty). However, if the vehicle will be modified after you dispose of it so that it no longer qualifies for the credit, the credit may be subject to recapture.

For more information on the recapture of the credit, see Regulations section 1.30-1(b).

Part I. Qualified Electric Vehicle Credit

~~**Specific Instructions**~~

Part I. Specific Instructions

Line 1

Enter the qualified electric vehicle passive activity credits allowed for your current tax year from Form 8582-CR or Form 8810. See the instructions for the applicable form for more information.

Line 2

Enter your regular tax as shown on your current year tax form before any credits. For example, in 2008:

- Individuals would enter the amount from Form 1040, line 44, or Form 1040NR, line 41.
- Corporations would enter the amount from Form 1120, Schedule J, line 2.
- Estates and trusts would enter the total of the amounts from Form 1041, Schedule G, lines 1a and 1b.

Line 3a

Enter the nonrefundable personal credits from your tax form that reduce your regular tax before the qualified electric vehicle credit. See the table below for examples from the 2008 Forms 1040 and 1040NR. See your current year tax form to see if these credits are still available.

Credits that reduce tax before the qualified electric vehicle credit:	2008 Form 1040, line:	2008 Form 1040NR, line:
Foreign tax credit *	47	44
Credit for child and dependent care expenses	48	45
Credit for the elderly or the disabled	49	N/A
Education credits	50	N/A
Retirement savings contributions credit	51	46
Child tax credit	52	47
Mortgage interest credit	53	48
Credit for qualified adoption expenses	53	48
Residential energy efficient property credit	53	48
Credit from Form 8859, District of Columbia First-Time Homebuyer Credit	54	49

* Enter any foreign tax credit on line 3b of this form.

Line 5

Although you may not owe alternative minimum tax (AMT), you generally must still figure the tentative minimum tax (TMT) to figure your qualified electric vehicle credit. For a small corporation exempt from the AMT under section 55(e), enter -0-. Otherwise, complete and attach the applicable AMT form or schedule and enter the TMT on line 5. For example, for 2008:

- Individuals would enter the amount from Form 6251, line 34.
- Corporations would enter the amount from Form 4626, line 12.
- Estates and trusts would enter the amount from Form 1041, Schedule I, line 54.

Line 7

31 Enter your qualified electric vehicle credit (and the amount from Part II, line ~~26~~, (if any)) on the appropriate line of your current year tax form. For example, for 2008:

- Individuals would enter the credit on Form 1040, line 54, or Form 1040NR, line 49.
- Corporations would enter the amount on Form 1120, Schedule J, line 5b.
- Estates and trusts would enter the amount from Form 1041, Schedule G, line 2b.

If you cannot use part of the credit because of the tax liability limit, the unused credit is lost. The unused or excess credit cannot be carried back or forward to other tax years.

Part II . Qualified Plug-in Electric Vehicle Credit

Qualified plug-in electric vehicle

- A qualified plug-in electric vehicle is any vehicle which is:
- A low-speed vehicle (a 4-wheeled vehicle with a speed attainable in 1 mile of more than 20 miles per hour, and not more than 25 miles per hour, on a paved level surface, and with a GVWR of less than 3,000 pounds or,
 - Has 2 or 3 wheels with a GVWR of less than 14,000 pounds.

In addition, it must be:

- Made by a manufacturer primarily for use on public streets, roads, and highways, and
- Propelled to a significant extent by an electric motor which draws electricity from a battery which (1) has a capacity of not less than 4 kilowatt hours (2.5 kilowatt hours for a vehicle with 2 or 3 wheels) and (2) is capable of being recharged from an external source of electricity.

The following requirements must be met to qualify for the qualified plug-in electric vehicle credit:

- You are the owner of the vehicle. If the vehicle is leased, only the lessor and not the lessee, is entitled to the credit;
- The original use of the vehicle began with you; and
- You acquired the vehicle for use or to lease to others, and not for resale.
- You use the vehicle primarily in the United States.

Exception. If you are the seller of an alternative motor vehicle to a tax-exempt organization, governmental unit, or a foreign person or entity, and the use of that vehicle is described in section 50(b)(3) or (4), you can claim the credit, but only if you clearly disclose in writing to the purchaser the amount of the tentative credit allowable for the vehicle (from line 13 of Form 8834).

For more information see section 30.

Basis Reduction

Unless you elect not to claim the credit, you may have to reduce the basis of each vehicle by the sum of the amounts entered on lines 18 and 26 for that vehicle.

Line 13

Enter any section 179 expense deduction you claimed for the property from Part I of Form 4562, Depreciation and Amortization.

Coordination With Other Credits

The amount of any deduction or other credit allowable for a new qualified plug-in electric drive motor vehicle must be reduced by the amount of credit claimed on Form 8834, Part II.

Recapture of Qualified Plug-in Electric Vehicle Credit

If the vehicle no longer qualifies for the credit, you may have to recapture part or all of the credit. For details, see section 30(e)(5).

~~Specific Instructions~~

Part II . Specific Instructions

Line 14

Enter the percentage of business/investment use.

Enter 100% if the vehicle is used solely for business purposes or you are claiming the credit as the seller of the vehicle.

If the vehicle is used for both business purposes and personal purposes, determine the percentage of business use by dividing the number of miles the vehicle is driven during the year for business purposes or for the production of income (not to include any commuting mileage) by the total number of miles the vehicle is driven for all purposes. Treat vehicles used by your employees as being used 100% for business/investment purposes if the value of personal use is included in the employees' gross income, or the employees reimburse you for the personal use. If you report the amount of personal use of the vehicle in your employee's gross income and withhold the appropriate taxes, enter 100% for the percentage of business/investment use.

If during the tax year you convert property used solely for personal purposes to business/investment use (or vice versa), figure the percentage of business/ investment use only for the number of months you use the property in your business or for the production of income. Multiply that percentage by the number of months you use the property in your business or for the production of income and divide the result by 12. For example, if you converted a vehicle to 50% business use for the last 6 months of the year, you would enter 25% on line 6 (50% multiplied by 6 divided by 12).

For more information, see Pub. 463, Travel, Entertainment, Gift, and Car Expenses.

~~Line 17~~ **19**

Enter total qualified plug-in electric vehicle credits from:

- Schedule K-1 (Form 1065), box 15 (code P)
- Schedule K-1 (Form 1120S), box 13 (code P)

~~Line 21~~ **26**

Enter your regular tax as shown on your current year tax form before any credits. For example, for 2008:

- Individuals would enter the amount from Form 1040, line 44, or Form 1040NR, line 41.
- Corporations would enter the amount from Form 1120, Schedule J, line 2.
- Estates and trusts would enter the total of the amounts from Form 1041, Schedule G, lines 1a and 1b.

~~Line 22~~ **27**

Enter your alternative minimum tax as shown on your current year tax forms. For example, for 2008:

- Individuals. Enter the amount from Form 6251, line 36
- Corporations. Enter the amount from Form 4626, line 14
- Estates and trusts. Enter the amount from Schedule I, (Form 1041), line 56.

Line 20

report this amount on Form 3800, line 1s

Line 24a 29a

Enter the total amount claimed for the following credits (see the following lines of Form 1040 or 1040NR).

Personal Credits	Form 1040, Line:	Form 1040NR, Line:
Retirement savings contributions credit	51	46
Mortgage interest credit	53	48
Residential energy efficient property credit	53	48
Credit for qualified adoption expenses	53	48
Credit from Form 8859, District of Columbia First-Time Homebuyer Credit	54	49

Line 26 31

If you cannot use part of the personal portion of the credit because of the tax liability limit, the unused credit is lost. The unused personal portion of the credit cannot be carried back or forward to other tax years.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping x hr., xx min.

Learning about the law or the form xx min.

Preparing, and sending the form to the IRS xx min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.