

Form **8827**

**Credit for Prior Year Minimum Tax—Corporations**

OMB No. 1545-1257

**2011**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to the corporation's tax return.**

Name		Employer identification number	
<b>1</b>	Alternative minimum tax (AMT) for 2010. Enter the amount from line 14 of the 2010 Form 4626	<b>1</b>	
<b>2</b>	Minimum tax credit carryforward from 2010. Enter the amount from line 9 of the 2010 Form 8827	<b>2</b>	
<b>3</b>	Enter any 2010 unallowed qualified electric vehicle credit (see instructions)	<b>3</b>	
<b>4</b>	Add lines 1, 2, and 3	<b>4</b>	
<b>5</b>	Enter the corporation's 2011 regular income tax liability minus allowable tax credits (see instructions)	<b>5</b>	
<b>6</b>	Is the corporation a "small corporation" exempt from the AMT for 2011 (see instructions)? • <b>Yes.</b> Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0- • <b>No.</b> Complete Form 4626 for 2011 and enter the tentative minimum tax from line 12	<b>6</b>	
<b>7a</b>	Subtract line 6 from line 5. If zero or less, enter -0-	<b>7a</b>	
<b>b</b>	For a corporation electing to accelerate the minimum tax credit, enter the bonus depreciation amount attributable to the minimum tax credit (see instructions)	<b>7b</b>	
<b>c</b>	Add lines 7a and 7b	<b>7c</b>	
<b>8a</b>	Enter the <b>smaller</b> of line 4 or line 7c. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions	<b>8a</b>	
<b>b</b>	<b>Current year minimum tax credit.</b> Enter the smaller of line 4 or line 7a here and on Form 1120, Schedule J, Part I, line 5d (or the applicable line of your return). If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions. If you made an entry on line 7b, go to line 8c. Otherwise, skip line 8c	<b>8b</b>	
<b>c</b>	Subtract line 8b from line 8a. This is the refundable amount for a corporation electing to accelerate the minimum tax credit. Include this amount on 2 Form 1120, Schedule J, Part II, line 19c (or the applicable line of your return)	<b>8c</b>	
<b>9</b>	<b>Minimum tax credit carryforward to 2011.</b> Subtract line 8a from line 4. Keep a record of this amount to carry forward and use in future years	<b>9</b>	

**Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

Corporations use Form 8827 to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

**Who Should File**

Form 8827 should be filed by corporations that had:

- An AMT liability in 2010,
- A minimum tax credit carryforward from 2010 to 2011, or
- A qualified electric vehicle credit not allowed for 2010 (see the instructions for line 3).

**Line 3**

Enter any qualified electric vehicle credit not allowed for 2010 solely because of tentative minimum tax limitations.

**Line 5**

Enter the corporation's 2011 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Chapter 1, Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (for example, if you are filing Form 1120, subtract any credits on Schedule J, line 5a, through 5c, from the amount on Schedule J, line 2).

**Line 6**

See the 2011 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT for 2011. If the corporation is a "small corporation" exempt from the AMT, see section 38(c)(5) before completing line 6 for special rules that apply to controlled corporate groups, regulated investment companies, and real estate investment trusts.

**Line 7b**

A corporation can elect (under section 168(k)(4)) to accelerate its use of unused minimum tax credit carryforwards from tax years beginning before 2006 and obtain a refundable credit in lieu of any special depreciation allowance for eligible property (discussed later). If the election is made, the corporation must do the following.

- Forgo the special depreciation allowance for the eligible property, and
- Use the straight-line method of depreciation of such property.

An election to claim pre-2006 unused research credits or minimum tax credits in lieu of claiming the special depreciation allowance made by a corporation for either its first tax year ending after March 31, 2008, or its first tax year ending after December 31, 2008, continues to apply to certain extension property (as defined in section 168(k)(4)(H)), unless the corporation made an

election not to apply the election made under section 168(k)(4) to extension property for its first tax year ending after December 31, 2008. Generally, extension property is long production period property and noncommercial aircraft if acquired after March 31, 2008, and placed in service after December 31, 2009, but before January 1, 2011.

An election to claim pre-2006 unused minimum tax credits in lieu of claiming the special depreciation allowance made by the corporation for either its first tax year ending after March 31, 2008, or its first tax year ending after December 31, 2008, continues to apply to round 2 extension property (as defined in section 168(k)(4)(I)) unless the corporation makes an election not to apply the original election to round 2 extension property. Generally round 2 extension property is property that is eligible qualified property solely because it meets the requirements under the extension of the additional special depreciation allowance to certain property placed in service after December 31, 2010. See section 168(k)(4)(I).

**Note.** If the corporation did not make the election for either its first tax year ending after March 31, 2008, or its first tax year ending after December 31, 2008, the corporation may elect for its first tax year ending after December 31, 2010, to claim pre-2006 unused minimum tax credits in lieu of claiming the special depreciation allowance only for round 2 extension property.

Once made, these elections cannot be revoked without IRS consent.

**Worksheet for Calculating the Refundable Minimum Tax Credit Amount** (keep for your records)

	(a) Extension property	(b) Round 2 extension property
<b>1</b> Enter depreciation (including the special depreciation allowance) that would have been allowed for extension property placed in service in 2010, or round 2 extension property placed in service after December 31, 2010, as appropriate, if section 168(k)(1) and (k)(5) had applied to such property . . . . .	<b>1</b>	
<b>2</b> Enter depreciation for eligible extension property, placed in service in 2010 or round 2 extension property placed in service after December 31, 2010, as appropriate, figured without regard to section 168(k)(1) and (k)(5). . . . .	<b>2</b>	
<b>3</b> Subtract line 2 from line 1 . . . . .	<b>3</b>	
<b>4</b> Multiply line 3 by 20% . . . . .	<b>4</b>	
<b>5</b> Enter any unused research credit carryforward from tax years beginning before 2006	<b>5</b>	
<b>6</b> Enter any unused minimum tax credit carryforward from tax years beginning before 2006	<b>6</b>	
<b>7</b> Add line 5 and line 6 . . . . .	<b>7</b>	
<b>8</b> Multiply line 7 by 6% . . . . .	<b>8</b>	
<b>9</b> Enter the smaller of line 8 or \$30,000,000 . . . . .	<b>9</b>	
<b>10</b> Enter any bonus depreciation amounts determined under section 168(k)(4)(C) attributable to extension property or round 2 extension property, as appropriate, for all preceding tax years ending after March 31, 2008 . . . . .	<b>10</b>	
<b>11</b> Subtract line 10 from line 9. If zero or less, enter -0- . . . . .	<b>11</b>	
<b>12</b> Bonus depreciation amount. Enter the smaller of line 4 or line 11 . . . . . <b>Note.</b> If you do not have a research credit carryforward, or if you choose not to allocate bonus depreciation amounts to research credit carryforwards, skip lines 13 and 14 and enter -0- on line 15.	<b>12</b>	
<b>13</b> Enter the amount from line 10 allocated to the research credit carryforward shown on line 5	<b>13</b>	
<b>14</b> Maximum bonus depreciation amount allocable to the research credit. Subtract line 13 from line 5	<b>14</b>	
<b>15</b> Refundable research credit. Enter the smaller of line 14 or the amount on line 12 that you choose to allocate to the research credit . . . . .	<b>15</b>	
<b>16</b> Subtract line 15 from line 12 . . . . .	<b>16</b>	
<b>17</b> Enter the amount from line 10 allocated to the minimum tax credit carryforward shown on line 6	<b>17</b>	
<b>18</b> Maximum bonus depreciation amount allocable to the minimum tax credit. Subtract line 17 from line 6 . . . . .	<b>18</b>	
<b>19</b> Refundable minimum tax credit. Enter the smaller of line 18 or line 16 in appropriate columns. Enter the total of line 19, columns (a) and (b) on Form 8827, line 7b . . . . .	<b>19</b>	

If the corporation elects to accelerate the minimum tax credit and obtain a refundable credit in lieu of the special depreciation allowance, complete the *Worksheet for Calculating the Refundable Minimum Tax Credit Amount* above. Enter the total of line 19, columns (a) and (b), on Form 8827, line 7b. All others, enter zero on line 7b.

For more information on the election to accelerate the research or minimum tax credit for eligible property, including information on how to make the elections, see Rev. Proc. 2008-65, 2008-44 I.R.B. 1082, available at [http://www.irs.gov/irb/2008-44\\_IRB/ar15.html](http://www.irs.gov/irb/2008-44_IRB/ar15.html); Rev. Proc. 2009-16, 2009-06 I.R.B. 449, available at [http://www.irs.gov/irb/2009-06\\_IRB/ar10.html](http://www.irs.gov/irb/2009-06_IRB/ar10.html); and Rev. Proc. 2009-33, 2009-29 I.R.B. 150, available at [http://www.irs.gov/irb/2009-29\\_IRB/ar09.html](http://www.irs.gov/irb/2009-29_IRB/ar09.html).

For more information on the special depreciation allowance, see the Instructions for Form 4562 and Pub. 946, How To Depreciate Property.

S corporations that make the election to accelerate the credit can use the credit only against the built-in gains tax. See the instructions for Schedule D (Form 1120S), line 20. Corporations that file Form 1120-REIT or Form 1120-RIC must apply the credit first against the built-in gains tax, if any, and reduce the refundable credit by the amount

so applied. See the instructions for line h of the Built-in Gains Tax Worksheet in the separate instructions for those forms.

**Line 8**

If the corporation had a post-1986 ownership change (as defined in section 382(g)), there may be a limit on the amount of pre-change minimum tax credits that can be applied against the corporation's tax for any tax year ending after the ownership change. See section 383 and the related regulations. To figure the amount of the pre-change credit, the corporation must allocate the credit for the change year between the pre-change period and the post-change period. The corporation must use the same method of allocation (ratable allocation or closing-of-the-books) for purposes of sections 382 and 383. See Regulations section 1.382-6 for details.

Also, there may be a limit on the use of pre-acquisition excess credits of one corporation to offset the tax attributable to recognized built-in gains of another corporation. See section 384 for details.

If either limit applies, attach a computation of the allowable minimum tax credit, enter the amount on lines 8a and 8b, and write "Sec. 383" or "Sec. 384" in the dotted line to the left of the line 8a and 8b entry spaces.

**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 average time is: **Recordkeeping**, 8 hr., 22 min., **Learning about the law or the form**, 1 hr., 27 min., **Preparing and sending the form to the IRS**, 2 hr., 51 min.

If you have comments concerning the accuracy of this time estimate 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.