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Early releases of draft forms and instructions are at [IRS.gov/draftforms](https://www.irs.gov/draftforms). Please note that drafts may remain on IRS.gov even after the final release is posted at [IRS.gov/downloadforms](https://www.irs.gov/downloadforms), and thus may not be removed until there is a new draft for the subsequent revision. All information about all revisions of all forms, instructions, and publications is at [IRS.gov/formspubs](https://www.irs.gov/formspubs).

Almost every form and publication also has its own easily accessible information page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/form1040](https://www.irs.gov/form1040); the Form W-2 page is at [IRS.gov/w2](https://www.irs.gov/w2); the Publication 17 page is at [IRS.gov/pub17](https://www.irs.gov/pub17); the Form W-4 page is at [IRS.gov/w4](https://www.irs.gov/w4); the Form 8863 page is at [IRS.gov/form8863](https://www.irs.gov/form8863); and the Schedule A (Form 1040) page is at [IRS.gov/schedulea](https://www.irs.gov/schedulea). If typing in the links above instead of clicking on them: type the link into the address bar of your browser, not in a Search box; the text after the slash must be lowercase; and your browser may require the link to begin with “www.”. Note that these are shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications on the [Comment on Tax Forms and Publications](#) page on IRS.gov. We cannot respond to all comments due to the high volume we receive, but we will carefully consider each one. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.



Instructions for Form 8864

Biodiesel and Renewable Diesel Fuels Credit

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

General Instructions

Future Developments

For the latest information about developments related to Form 8864 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form8864.

What's New

- The biodiesel and renewable diesel fuels credit expired for fuel sold or used after 2013.



At the time these instructions went to print, Congress had not enacted legislation on expired provisions. To find out if legislation has been enacted, go to www.irs.gov/formspubs or www.irs.gov/form8864.

Purpose of Form

Use the 2014 Form 8864 to report any biodiesel and renewable diesel fuels credit you receive from a fiscal year partnership, S corporation, cooperative, estate, or trust whose tax year began in 2013 (when the credit was still available) and ends during your 2014 tax year.

Specific Instructions

Lines 1 Through 8

These lines are now shown as “Reserved” in case Congress extends the credit for 2014. When any form, worksheet, or instruction refers to these lines, treat the amounts on these lines as zero.

Line 9

If you are allocated a small agri-biodiesel producer credit from a pass-through entity, the entity must tell you the number of gallons for which it claimed the credit and its productive capacity for agri-biodiesel. You, as a shareholder, partner, beneficiary, or patron, are subject to the 15 million gallon limitation for qualified agri-biodiesel production and the 60 million gallon productive capacity limitation for an eligible small agri-biodiesel producer.

Line 11

A cooperative, estate, or trust allocating the small agri-biodiesel credit must give the patron or beneficiary a statement providing them with the number of gallons for

which it claimed the credit and its productive capacity for agri-biodiesel. An estate or trust must also provide the amount of the small agri-biodiesel credit included as part of the pass-through credit. See the above instructions for line 9.

Cooperatives. A cooperative described in section 1381(a) can elect to allocate any part of the small agri-biodiesel producer credit to patrons of the cooperative. The credit is allocated *pro rata* among the patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for the patrons for the tax year.

If the cooperative is subject to the passive activity rules, include on line 9 any Form 8864 credits from passive activities disallowed for prior years and carried forward to this year. Complete Form 8810, Corporate Passive Activity Loss and Credit Limitations, to determine the allowed producer credits that can be allocated to patrons. For details, see the Instructions for Form 8810.

The cooperative is deemed to have made the election by completing line 11. However, the election is not effective unless:

- It is made on a timely filed return (including extensions), and
- The cooperative designates the apportionment in a written notice or Form 1099-PATR, Taxable Distributions Received From Cooperatives, mailed to its patrons during the payment period described in section 1382(d).

If you timely filed your return without making an election, you can still make the election by filing an amended return within 6 months of the due date of the return (excluding extensions). Enter “Filed pursuant to section 301.9100-2” on the amended return.

Once made, the election cannot be revoked.

Estates and trusts. Allocate the biodiesel and renewable diesel fuels credit on line 10 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries’ share on line 11.

If the estate or trust is subject to the passive activity rules, include on line 9 any Form 8864 credits from passive activities disallowed for prior years and carried forward to this year. Complete Form 8582-CR, Passive Activity Credit Limitations, to determine the allowed credit that must be allocated between the estate or trust and the beneficiaries. For details, see the Instructions for Form 8582-CR.

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	2 hr., 32 min.
Learning about the law or the form	1 hr., 1 min.
Preparing and sending the form to the IRS	1 hr., 5 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.
