



# Instructions for Form 8844

## Empowerment Zone Employment Credit

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

### Future Developments

For the latest information about developments related to Form 8844 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8844](http://IRS.gov/Form8844).

### What's New

The empowerment zone credit has expired for qualified empowerment zone wages paid or incurred after 2017.



*At the time these instructions went to print, the empowerment zone credit for wages paid and claimed on lines 1 and 2 had expired and you may not claim the credit for 2018. To find out if legislation extending the credit for 2018 was enacted, go to [IRS.gov/Extenders](http://IRS.gov/Extenders).*

## General Instructions

### Purpose of Form

Partnerships and S corporations must file this form to claim the credit. All others are generally not required to complete or file this form if their only source for this credit is a partnership, S corporation, estate, trust, or cooperative. Instead, they can report this credit directly on Form 3800, General Business Credit. The following exceptions apply.

- You are an estate or trust and the source credit can be allocated to beneficiaries. For more details, see the instructions for Form 1041, Schedule K-1, box 13, code K.
- You are a cooperative and the source credit can or must be allocated to patrons. For more details, see the instructions for Form 1120-C, Schedule J, line 5c.

## Specific Instructions

### Line 1 and Line 2

These lines are now shown as "Reserved for future use" in case Congress extends the empowerment zone employment credit for 2018. When any form, worksheet, or instruction refers to these lines, treat the amounts on these lines as zero.

### Line 3

Enter total empowerment zone employment credits from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code L);

- Schedule K-1 (Form 1120S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code L);
- Schedule K-1 (Form 1041), Beneficiary's Share of Income, Deductions, Credits, etc., box 13 (code K); and
- Form 1099-PATR, Taxable Distributions Received From Cooperatives, box 10, or other notice of credit allocation.

Partnerships and S corporations must report the above credits on line 3. Also, estates and trusts that can allocate the above credits to beneficiaries and cooperatives that can allocate the above credits to patrons must report these credits on line 3. All other filers figuring a separate credit on earlier lines must report the above credits on line 3. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 3.

### Line 5

**Cooperatives.** A cooperative described in section 1381(a) must allocate to its patrons the credit in excess of its tax liability limit. Therefore, to figure the unused amount of the credit allocated to patrons, the cooperative must first figure its tax liability. While any excess is allocated to patrons, any credit recapture applies as if the cooperative had claimed the entire credit.

If the cooperative is subject to the passive activity rules, include on line 3 any empowerment zone and renewal community employment 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 credit that must be allocated between the cooperative and the patrons. For details, see the Instructions for Form 8810.

**Estates and trusts.** Allocate the empowerment zone employment credit on line 4 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries' share on line 5. If the estate or trust is subject to the passive activity rules, include on line 3 any empowerment zone and renewal community employment 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 and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

<b>Recordkeeping</b> . . . . .	4 hr., 4 min.
<b>Learning about the law or the form</b> . . . . .	2 hr., 22 min.
<b>Preparing and sending the form to the IRS</b> . . . . .	2 hr., 33 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.

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