



Instructions for Form 6478

Biofuel Producer Credit

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

Future Developments

For the latest information about developments related to Form 6478 and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form6478.

What's New



At the time these instructions went to print, the biofuel producer credit formerly claimed on lines 1 and 2 had expired. You can't claim the credit on line 1 and 2 for fuel sold or used after 2017. Lines 1 and 2 are now shown as "Reserved for future use" in case Congress extends the credit for 2018. To find out if legislation extended the credit so you can claim it on your 2018 return, go to IRS.gov/Extenders.

General Instructions

Purpose of Form

Partnerships, S corporations, cooperatives, estates, and trusts must file this form to claim the credit. All other taxpayers aren't required to complete or file this form if their only source for this credit is a partnership, S corporation, cooperative, estate, or trust. Instead, they can report this credit directly on line 4c in Part III of Form 3800, General Business Credit.

Recapture of Credit

You must pay a tax (recapture) on each gallon of second generation biofuel at the rate you used to figure the credit if you don't use the fuel for the purposes described under section 40(b)(6)(C). Report the tax on Form 720, Quarterly Federal Excise Tax Return.

Specific Instructions

Line 1 and Line 2

These lines are reserved in case Congress extends the credit to apply to fuel sold or used after December 31, 2017. When using these lines to figure the amount on this or other tax forms or worksheets, the amount in these lines should be considered to be zero.

Line 3

Enter total biofuel producer credits from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code I);
- Schedule K-1 (Form 1120S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code I);

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

Partnerships, S corporations, cooperatives, estates, and trusts must always report the above credits on line 3. All other taxpayers:

- Report the above credits directly on Form 3800, Part III, line 4c; and
- Don't file Form 6478.

Line 5

Cooperatives. A cooperative described in section 1381(a) can elect to allocate any part of the biofuel 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 3 any Form 6478 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 5. However, the election isn't effective unless:

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

If the cooperative timely filed its return without making an election, it can still make the election by filing an amended return within 6 months of the due date of the return (excluding extensions). Write "Filed pursuant to section 301.9100-2" on the amended return.

Once made, the election can't be revoked.

Estates and trusts. Allocate the biofuel producer 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 Form 6478 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. 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're required to give us the information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax.

You aren't required to provide the information requested on a form that's 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., 9 min.
Learning about the law or the form	53 min.
Preparing and sending the form to the IRS	58 min.

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