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# Instructions for Form 3800

## General Business Credit

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

### Future Developments

For the latest information about developments related to Form 3800 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form3800](https://www.irs.gov/Form3800).

### What's New

**2023 Form 3800.** The form has been redesigned to support the provisions of the Inflation Reduction Act of 2022 (IRA 2022) and the Creating Helpful Incentives to Produce Semiconductors Act of 2022 (CHIPS 2022). The form and instructions are revised to also provide information concerning the elective payment and transfer elections. Changes are highlighted below and explained more fully throughout the instructions.

**New item A.** Item A requires a response concerning whether you are an applicable corporation under the Corporate Alternative Minimum Tax (CAMT) and an applicable taxpayer under the Base Erosion Anti-Abuse Tax (BEAT).

**Part I. Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT).** Lines 1 and 2 have been reworded to account for the new columns in Part III.

**Part II. Allowable Credit.** Line 13 is revised to reflect the change to section 38(c)(6)(E), which provides that, for corporations, the limit for general business credits is 75% of net income tax (instead of regular income tax). Lines 22, 23, 30, and 32 are revised to account for the new columns (e), (f), and (g) in Part III to keep non-passive and passive credit amounts separate for filers claiming empowerment zone credits and specified credits.

**Part III. Current Year General Business Credits.** Part III has been redesigned to support IRA 2022 and CHIPS 2022 and for all other current year credits. Credits that can only be carried forward have been moved to new Part IV.

**New Part IV. Carryovers of General Business Credits or Eligible Small Business Credits (ESBCs).** Part IV has been created to separately report business credit carryforwards carried to 2023 and business credit carrybacks carried to 2023 from a subsequent year on an amended return or an application for tentative refund.

**New Part V. Breakdown of Aggregate Amounts on Part III for Facility-by-Facility, Multiple Pass-Through Entities.** Part V has been created to report breakout figures for each separate facility or pass-through entity, including those for which an elective payment or transfer registration number has been issued, or credits from multiple pass-through entities.

**New Part VI. Breakdown of Aggregate Amounts in Part IV.** Part VI is used for breakout details of business credit carryforwards to 2023 from more than one prior year or business credit carrybacks from a subsequent year on an amended return or an application for tentative refund. This includes your share of any unused carryforward or carryback business credits from multiple pass-through entities.

**New military spouse retirement plan eligibility credit for small employers.** The SECURE 2.0 Act of 2022 added section

45AA. It provides a credit to small employers who offer a defined contributions plan with specific features that benefit military spouses. This credit is reported on Part III, line 1ee. See the Instructions for Form 8881 for more information.

**Nuclear production credit.** New Form 7213 will be used to report the credit for production from advanced nuclear power facilities reported on Part III, line 1cc. The new zero-emission nuclear power production credit will be reported on Part III, line 1u. See the Instructions for Form 7213 for more information.

**Clean hydrogen production credit.** Starting with tax year 2023, the clean hydrogen production credit will be claimed on new Form 7210. This credit is reported on Part III, line 1g. For more information, see the Instructions for Form 7210.

**Elective payment election.** Beginning with tax year 2023, certain applicable entities and electing taxpayers can elect to treat certain CHIPS 2022 and IRA 2022 credits as elective payments. Any resulting overpayments may result in refunds. See [Elective Payment of Applicable Credits Under Section 6417](#), later.

**Transferring credits.** Taxpayers may transfer all or a portion of certain IRA 2022 credits. See [Transfer of Credits Under Section 6418](#), later.

### Reminders

**Research credit claims on amended returns.** Certain specific information must be provided if you are claiming a refund or credit on an amended return that includes a section 41 credit. See [Research Credit Claims on Amended Returns or Tax Equity and Fiscal Responsibility Act \(TEFRA\) Administrative Adjustment Requests \(AAR\), as Applicable](#), later.

**Partners of BBA partnership.** See [Partners of BBA partnership](#) and [Non-pass-through partners](#) for information about adjustments to credits.

## General Instructions

**TIP** *Partnerships and S corporations must always complete the source credit form unless they received the credit as a transfer from an unrelated eligible taxpayer. All other filers whose only source for a credit listed in Form 3800, Part III, is from a partnership, S corporation, estate, trust, or cooperative, or who received the credit as a transfer from an unrelated eligible taxpayer can report the credit directly on Form 3800. The following exceptions apply (unless you received the credit as a transfer from an unrelated eligible taxpayer).*

- You are claiming the investment credit (Form 3468) or the biodiesel, renewable diesel, or sustainable aviation fuel credit (Form 8864).
- You are an estate or trust and the source credit must be allocated to beneficiaries. For more details, see the Instructions for Form 1041, U.S. Income Tax Return for Estates and Trusts, Schedule K-1, box 13.
- 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, U.S. Income Tax Return for Cooperative Associations, Schedule J, line 5c.

## Who Must File

You must file Form 3800 to claim any of the general business credits.

**Partnerships and S corporations.** Partnerships and S corporations that make elective payment elections or transfer elections (as transferor or transferee) must complete the name and identifying number boxes on page 1 and the applicable lines of Parts III and V. Complete only the lines for credits for which an elective payment election or transfer election is made. Attach Form 3800 to your Form 1065 or Form 1120-S. See the instructions for Form 1065 at [IRS.gov/Form1065](https://www.irs.gov/Form1065) or Form 1120-S at [IRS.gov/Form1120S](https://www.irs.gov/Form1120S).

**Tax-exempt and governmental entities.** Entities that generally do not benefit from income tax credits, such as state, local, and Indian tribal governments; Alaska Native Corporations; the Tennessee Valley Authority; rural electric cooperatives; and other tax-exempt entities that elect payment under section 6417 for certain general business credits, must complete and attach Form 3800, Part III, to Form 990-T, Exempt Organization Business Income Tax Return, even if otherwise the entities are not required to file Form 990-T. See the instructions for Part III and Part V.

If you are a tax-exempt entity with unrelated business taxable income (UBTI) (as defined in section 512) related to the facility or property for which you made a section 6417 election, you must first determine in Parts I and II of Form 3800 whether any of the credit may be allowed against the tax on UBTI for the tax year. See [Credit Ordering Rule](#), later. If you are a tax-exempt entity with no UBTI related to the facility or property for which you made a section 6417 election, complete the name and identifying number boxes on page 1 and the applicable lines of Parts III and V.

See the instructions for Form 990-T at [IRS.gov/Form990T](https://www.irs.gov/Form990T).

## Additional Information

### Elective Payment Elections and Transfer Elections

CHIPS 2022 and IRA 2022 allow certain tax credits to be treated as payments of federal income tax, or, in the case of partnerships or S corporations, to allow payments in the amount of such credits. IRA 2022 also allows eligible taxpayers, partnerships, and S corporations that cannot elect payment to transfer certain IRA energy credits (or portions thereof) to an unrelated person for cash. Applicable entities eligible to make the elective payment for certain energy IRA 2022 credits under the section 6417 election include:

- State and local governments,
- Indian tribal governments,
- Alaska Native Corporations,
- The Tennessee Valley Authority,
- Rural electric cooperatives, and
- Other tax-exempt entities.

In addition to these applicable entities, electing taxpayers can make the elective payment election for the clean hydrogen credit, the carbon oxide sequestration credit, and the advanced manufacturing production credit. Under CHIPS 2022, an eligible taxpayer (as defined under section 48D(c)), partnerships, and S corporations can make the elective payment election under section 48D(d) for the advanced manufacturing investment credit.

A mandatory pre-filing registration process has been established for elective payment and transfer of these IRA 2022 and CHIPS 2022 business credits. You are required to obtain a facility or property registration number prior to claiming the credit for which you intend to make an election under sections 48D(d),

6417, or 6418 on your timely filed return (including extensions). You are required to report this IRS-issued registration number on Part III (and Part V, if applicable).

**Note.** Completion of the pre-filing registration requirements and receipt of a registration number does not, by itself, mean that you have earned the credit and made a proper election under sections 48D(d), 6417, or 6418.

A registration number is valid only for the tax year for which it was obtained. It must be renewed if an elective payment election is sought in a subsequent year. Changes with respect to one or more credit properties, including changes in ownership, require the applicable entity or electing taxpayer to file an amended registration to reflect the new facts.

For more information, see Temporary Regulations sections 1.48D-6T, 1.6417-5T and 1.6418-4T that apply to tax years ending on or after June 21, 2023.

## Carryback and Carryforward of Unused Credit

Unused credit means the sum of business credits carried forward to your tax year on Part IV, plus the amount of your net current credits on Part III, columns (e), (f), and (g), that exceeds the sum of any amount of such business credits allowed against your net income tax in Part II, line 38, plus the amount allowed to you as net elective payment election on Part III, column (i), for the tax year.

The unused credit amount (if any) for your tax year is generally first carried back to the first year preceding your 2023 tax year, and then carried forward to as many of the succeeding 20 tax years as necessary to fully claim the credit. In the case of any unused current oil and gas production credit from marginal wells, this amount can be carried back to the 5 tax years preceding 2023. In the case of certain unused energy credits modified by IRA 2022, carrybacks are allowable to the 3 tax years preceding 2023.



*The carryforward must be reduced if there has been a recapture, which can occur due to change in ownership or change in use of property, for example. If a grant under section 1603 of the American Recovery and Reinvestment Act of 2009 is received, the carryforward must be reduced to zero. For further information, see Form 4255, Recapture of Investment Credit.*

If you can't use part or all of your general business credit because of the tax liability limit (Part II, line 38, is less than the sum of Part I, line 6, and Part II, lines 25 and 36), carry the unused credit back to prior years. The carryback period is generally 1 year. To carry back an unused credit, file an amended return (Form 1040-X, Amended U.S. Individual Income Tax Return; Form 1120-X, Amended U.S. Corporation Income Tax Return; or other amended return) for the prior tax year or an application for tentative refund (Form 1045, Application for Tentative Refund, or Form 1139, Corporation Application for Tentative Refund). Generally, if you file an application for a tentative refund, it must be filed by the end of the tax year following the tax year in which the credit arose.



*No part of the unused credit for any year attributable to any credit can be carried back to any tax year before the first tax year for which that credit was first allowable, including new IRA 2022 energy credits. A similar rule applies to any "specified credit" carried back to any tax year before the first tax year for which that specified credit was allowed against TMT. See [Credit Ordering Rule](#), later, to determine which credits are allowed first.*

If you have an unused credit after carrying it back 1 year (3 years for certain IRA 2022 credits) or 5 years for a credit from oil

and gas production from marginal wells, carry it forward to each of the 20 tax years after the year of the credit. Any qualified business credits (as defined in section 196(c)) that are unused after the last tax year of the 20-year carryforward period (or at the time an individual taxpayer dies or other taxpayer, such as a corporation or partnership, ceases to exist) may be taken as a deduction in the earlier of:

- The tax year following the last tax year of the 20-year carryforward period, or
- The tax year in which the individual taxpayer dies or other taxpayer ceases to exist.

**Figuring the carryforward if a payroll tax credit election is made.** Qualified small businesses electing to claim a portion of the research credit as a payroll tax credit must adjust the research credit carryforward for the amount of the credit elected as a payroll tax credit on Form 6765, Credit for Increasing Research Activity.



*A qualified small business is defined differently than an eligible small business. See Qualified Small Business and Eligible Small Business in the Instructions for Form 6765 for definitions.*

The unused credit for the current year is determined by reducing the amount on Part I, line 6, and Part II, line 36, by the amount on Form 6765, line 44. If you have amounts on both Part I, line 6, and Part II, line 36, the reduction is made proportionately. No amount elected as a payroll tax credit can be used to offset the current year tax liability nor can it be included in the carryforward or carryback calculation.

### Change in Filing or Marital Status

Your general business credit is limited to your tax liability. Therefore, if you filed a joint return in a carryback or carryforward year and your marital status or filing status has changed, you may need to figure your separate tax liability in that carryback or carryforward year. This would apply if:

- You filed as single in the credit year, but filed a joint return in the carryback or carryforward year;
- You filed a joint return in the credit year, but filed a joint return with a different spouse in the carryback or carryforward year; or
- You were married and filed a separate return in the credit year, but filed a joint return with the same or a different spouse in the carryback or carryforward year.

Determine your separate tax liability in the carryback or carryforward year as follows.

1. Figure your tax for the carryback or carryforward year as though you were married filing a separate return.
2. Figure your spouse's tax in that year as though your spouse was married filing a separate return.
3. Add the amounts in steps 1 and 2.
4. Divide the amount in step 1 by the amount in step 3. The result should be rounded to at least three decimal places.
5. Multiply the decimal in step 4 by the total tax shown on your joint return for the carryback or carryforward year. The result is your separate tax liability and a carryback or carryforward credit is applied against this amount only.

Although your carryback or carryforward of the credit is limited to your separate tax liability, the amount of your refund resulting from the carryback or carryforward is further limited to your share of the joint overpayment. This is found by subtracting your separate tax liability (as determined above) from your contribution toward the payment.

Unless you have an agreement or clear evidence of each spouse's contribution toward the payment of the joint liability, your contribution includes the tax withheld on your wages and your share of the joint estimated tax or tax paid with the return.

Your share of these payments is found by using the same formula used in determining your separate tax liability. Substitute the joint estimated tax, or tax paid with the return, for the tax in step 5. If the original return for the carryback year resulted in an overpayment, reduce your contribution by your share of the refund.

Attach a copy of the computation to your amended return or application for tentative refund.

### Credit Ordering Rule

General business credits reported on Form 3800 are treated as used on a first-in, first-out basis by offsetting the earliest-earned credits first. Therefore, the order in which the credits are used in any tax year is:

- Carryforwards to that year, the earliest ones first;
- The general business credit earned in that year; and
- The carryback to that year.

If your general business credits exceed your tax liability limit, the credits are used in the following order and based on the order shown under [Order in which credits are used](#) next.

- Credits reported on line 2 of Part III, columns (e), (f), and (g) plus line 2zz of Part IV, columns (e) and (f).
- Credits reported on Part II, line 25.
- Specified credits other than eligible small business (ESB) credits reported on line 5 of Part III, columns (e), (f), and (g) plus line 2zz of Part IV, columns (e) and (f).
- ESB credits reported on line 6 of Part IV, column (g).

**Order in which credits are used.** When relevant, the components of the general business credit reported on Form 3800 arising in a single tax year are used in the following order.

- Investment credit (in the following order—rehabilitation credit, energy credit, qualifying advanced coal project credit, qualifying gasification project credit, qualifying advanced energy project credit, qualifying therapeutic discovery project credit (carryforward only), and the advanced manufacturing investment credit.) (Form 3468, Parts II, III, IV, VI, and VII).
- Work opportunity credit (Form 5884).
- Biofuel producer credit (Form 6478).
- Credit for increasing research activities (Form 6765).
- Low-income housing credit (Form 8586).
- Enhanced oil recovery credit (Form 8830).
- Disabled access credit (Form 8826).
- Renewable electricity production credit (Form 8835).
- Empowerment zone employment credit (Form 8844).
- Renewal community employment credit (carryforward only).
- Indian employment credit (carryforward only).
- Employer social security and Medicare taxes paid on certain employee tips (Form 8846).
- Orphan drug credit (Form 8820).
- New markets credit (Form 8874).
- Credit for small employer pension plan startup costs (Form 8881, Part I).
- Credit for employer-provided childcare facilities and services (Form 8882).
- Qualified railroad track maintenance credit (Form 8900).
- Biodiesel, renewable diesel (Form 8864).
- Low sulfur diesel fuel production credit (Form 8896).
- Credit for oil and gas production from marginal wells (Form 8904).
- Distilled spirits credit (Form 8906).
- Advanced nuclear power facility production (Form 7213, Part I).
- Nonconventional source fuel credit (carryforward only).
- Energy efficient home credit (Form 8908).
- Energy efficient appliance credit (carryforward only).
- Alternative motor vehicle credit (Form 8910, Part II).
- Alternative fuel vehicle refueling property credit (Form 8911, Part II).

- Mine rescue team training credit (carryforward only).
- Agricultural chemicals security credit (carryforward only).
- Credit for employer differential wage payments (Form 8932).
- Carbon oxide sequestration credit (Form 8933).
- Qualified plug-in electric vehicle credit (carryforward only).
- New clean vehicle credit (Form 8936, Part II).
- Credit for small employer health insurance premiums (Form 8941).
- Employee retention credit for employers affected by qualified disasters (carryforward only).
- Employer credit for paid family and medical leave (Form 8994).
- Credit for auto-enrollment (Form 8881, Part II).
- Zero-emission nuclear power production (Form 7213, Part II).
- Sustainable aviation fuel (Form 8864, line 8).
- Clean hydrogen production (Form 7210).
- Qualified commercial clean vehicle (Form 8936, Part V).
- Advanced manufacturing production (Form 7207).
- Military spouse retirement plan credit (Form 8881, Part III).
- General credits from an electing large partnership (carryforward only).

### Eligible Small Business

An eligible small business is:

- A corporation whose stock is not publicly traded,
- A partnership, or
- A sole proprietorship.

The average annual gross receipts of the corporation, partnership, or sole proprietorship for the 3-tax-year period preceding the tax year of the credit cannot exceed \$50 million. Gross receipts for any tax year must be reduced by returns and allowances made during the year. Any reference to your business also includes a reference to any predecessor of your business.

If your business was not in existence for the entire 3-year period, base your average annual gross receipts on the period your business existed. Also, if your business had a tax year of less than 12 months, your gross receipts must be annualized by multiplying the gross receipts for the short period by 12 and dividing the result by the number of months in the short period.

**Member of controlled group, business under common control, or affiliated group.** For purposes of the gross receipts test, all members of a controlled group of corporations (as defined in section 52(a)) and all members of a group of businesses under common control (as defined in section 52(b)) are treated as a single person, and all employees of the members of an affiliated service group (as defined in sections 414(m) and (o)) will be treated as employed by a single person.

**Treatment of partners and S corporation shareholders.** A partner or S corporation shareholder cannot be treated as an eligible small business unless both the partnership or S corporation and partner or shareholder meet the gross receipts test as discussed under *Eligible Small Business*, earlier, for the tax year that the credit is treated as a current year general business credit.

### Research Credit Claims on Amended Returns or Tax Equity and Fiscal Responsibility Act (TEFRA) Administrative Adjustment Requests (AAR), as Applicable

TEFRA partnerships and partners in TEFRA partnerships cannot file amended returns; they must instead file AARs. An AAR is a statutorily provided type of amended filing used to change TEFRA partnership items.

If you are claiming a refund or credit on an amended return or administrative adjustment request (as applicable) that includes a section 41 credit for increasing research activities that either (a)

was not reported on your original filed return, or (b) is increased from the amount reported on your original return, and the section 41 credit you're claiming on the amended return comes from a non-Bipartisan Budget Act (BBA) pass-through entity such as a TEFRA partnership, S corporation, estate, trust, cooperative, or other non-TEFRA or non-BBA pass-through entity whose tax year ended during the tax year for which you are filing your amended return, the following five items of information must be identified and provided with your claim for each business component.

1. The factual basis of your section 41 research credit claim.
2. The research activities performed.
3. The individuals who performed each research activity. A taxpayer may instead identify the individuals who performed each research activity by listing the individual's title or position.
4. The information each individual sought to discover.
5. The total qualified employee wage expenses, total qualified supply expenses, and total qualified contract research expenses incurred by the non-BBA pass-through entity for its claim year. This information may be provided by submitting a copy of Form 6765, Credit for Increasing Research Activities, used by the non-BBA pass-through entity.

If you submit a credit study or other document, please identify the exact pages that contain the five items of information described above.

**Note.** The above requirements apply to all claimants, including sole proprietorships, per entity, regardless of business structure.

A taxpayer whose amended return includes a section 41 credit for increasing research activities from more than one non-BBA pass-through entity must separately provide the five items of information for each non-BBA pass-through entity.

Partners, shareholders, or other owners of a non-BBA pass-through entity should receive this information directly from the non-BBA pass-through entity, for example, in the form of an amended Schedule K-1 (and any statements attached thereto).

**Partners of BBA partnership.** BBA partnerships cannot file amended returns; they must instead file AARs. A BBA AAR is a statutorily provided type of amended filing used to change partnership-related items for any partnership tax year. If you are a partner of a BBA partnership and filing a return that includes a section 41 credit for increasing research activities from the BBA partnership's AAR, you may, but are not required to, include the five items of information with your return to which your Form 8978, Partner's Additional Reporting Year Tax, is attached if the BBA partnership has provided the information with its AAR.

## Specific Instructions

Complete and attach the appropriate credit forms used to figure your current year credit. See exceptions under [General Instructions](#), earlier.

**Item A. Corporate alternative minimum tax (CAMT) and base erosion anti-abuse tax (BEAT).** If you are both an "applicable corporation" within the meaning of section 59(k)(1) and "applicable taxpayer" within the meaning of section 59A(e), check "Yes." Otherwise, check "No."

## Part I. Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)



Complete Parts III, columns (a) through (h), IV, V, and VI (if applicable) before completing Parts I and II.

### Line 1

Non-passive credits from Part III, line 2. Combine column (e) with non-passive amounts from column (g).



Do not take into account any amount in column (g) from passive activities. See [Transfer of Eligible Credits Under Section 6418](#) and [Transferees of Eligible Credits Under Section 6418](#), later.

### Line 2

Passive credits from Part III, line 2. Combine column (f) with passive amounts in column (g).



If you are an eligible taxpayer or transferee taxpayer, only take into account the amount in column (g) from passive activities. See [Transfer of Eligible Credits Under Section 6418](#) and [Transferees of Eligible Credits Under Section 6418](#), later.

### Line 3

Enter the applicable passive activity credit amount allowed from Form 8582-CR, Passive Activity Credit Limitations; or Form 8810, Corporate Passive Activity Loss and Credit Limitations. The passive activity credit amount allowed on Part I, line 3, only applies to the general business credits not allowed against TMT from Part I, line 2, plus any prior year unallowed passive activity credit from general business credits not allowed against TMT.

If no credits are allowed, enter -0- on line 3.

**Passive activity.** Generally, a passive activity is a trade or business in which you didn't materially participate. Generally, rental activities are passive activities, whether or not you materially participated. See Form 8582-CR or Form 8810 for details.

### Line 4

Enter the amount of all carryforwards to 2023 of unused credits that are reported from line 2zz of Part IV, column (f) or (g).

**Check the box.** For each credit entered on line 4, if the credit amount was changed or revised from the amount originally reported, check the box on this line and see the instructions to Part IV and Part VI (if applicable) for [Required statement](#), later.

**Adjustment for the payroll tax credit.** A qualified small business that elected on Form 6765 to claim a portion of its research credit as a payroll tax credit must reduce its research credit carryforward by the amount elected as a payroll tax credit.

### Line 5

Use Part I, line 5, only when you amend your 2023 return to carry back unused credits from 2024. Enter the amount that is reported from line 2zz of Part IV, column (e).

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity don't include any carryback of that credit on Part I, line 5, before figuring the limitation on Part III, line 1c. Include the carryback when figuring the research credit limitation on line 1c of Part III. Then, include the allowable carryback amount on Part I, line 5. See [Required statement](#), later, and attach the statement to your return.

## Part II. Allowable Credit

### Line 7

**Individuals.** Enter the sum of the amounts from Form 1040, 1040-SR, or 1040-NR, line 16; and Schedule 2 (Form 1040), line 2. Don't include any recapture of an education credit, any tax from Form 8621, any net tax liability deferred under section 965(i), or triggering event under section 965(i).

**Corporations.** Enter the amount from Form 1120, Schedule J, line 1, or other applicable line of your return. Do not include any deferred tax under section 1291, or additional tax under section 197(f).

**Estates and trusts.** Enter the amount from Form 1041, Schedule G, lines 1a and 1b, plus any Form 8978 amount included on line 1d; or the amount from the applicable line of your return.

### Line 10b

Enter the total allowable credit, if any, from your tax return as follows.

**Individuals.** Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 19; and Schedule 3 (Form 1040), lines 2 through 4, 5a, 5b, and line 7. Don't include any general business credit claimed on Form 3800, any prior year minimum tax, or any credit claimed on Form 8912, Credit to Holders of Tax Credit Bonds.

**Estates and trusts.** Enter the total of any write-in credits from Form 1041, Schedule G, line 2e; or the amount from the applicable line of your return.

**Corporations.** Enter the amount from Form 1120, Schedule J, Part I, line 5b (or the applicable line of your return). Corporations reporting a Form 8978 amount on Schedule J, line 6, must also include this amount on line 10b. If line 11 is zero or less, these corporations must enter -0- on line 11, skip lines 12 through 15, and enter -0- on line 16.

**Non-pass-through partners.** Partners other than pass-through partners (such as partnerships or S corporations) use Form 8978 and Schedule A (Form 8978) to calculate the tax in their reporting year from adjustments shown on Forms 8986 (pushout statement) originating from a BBA partnership because of a BBA examination or a BBA partnership AAR filing. The partner's reporting year is the partner's tax year that includes the date the audited BBA partnership or BBA partnership that filed an AAR furnished the Forms 8986 to its partners. See Form 8978 and its instructions.

These partners do not report on Form 3800 any changes to credits reported on the pushout statement. Instead, Form 8978 is used to calculate the change in tax for the first affected year and any intervening years of the partner that result from the adjustments included on the pushout statement (including adjustments to credits). The first affected year is the partner's tax year that includes the end of the audited partnership's reviewed year or the year for which the AAR was filed. The intervening years are the partner's tax years that end after the first affected year and before the reporting year. The total change of tax for these years is then reported on Form 8978 as an increase/decrease to the reporting year tax.

Because the total tax change is reported on Form 8978, which is then used to change the reporting year tax, a refund claim is not made by the partner and the adjustments to credits reported on Form 8978 should not be duplicated on Form 3800. See *Exception* below pertaining to "Form 3800 for Form 8978 Calculation Only," which will not duplicate reported credits but only support the calculation contained on the Form 8978. However, any carryforward credit amounts after the first affected year and any intervening years are reported on Form 3800 for

the reporting year and reported as carryforwards (if appropriate) on Form 3800 in years after the reporting year.

**TIP** *Exception: In preparing Form 8978, the partner may attach Forms 3800 to support the applicable first affected year or intervening year(s) calculations by labeling each Form 3800 attachment in each header with: "Form 3800 for Form 8978 Calculation Only."*

**Example.** A Form 1040 taxpayer partner in a BBA partnership is furnished a Form 8986 in 2023. Form 8986 covers a reviewed year of 2020, and it reports an additional research credit of \$500 that originated in 2020. The partner reported \$200 of tax in 2020, \$50 in 2021, and \$50 in 2022. On its Form 8978, the partner calculates that in each one of those years it would have paid \$200, \$50, and \$50 less, respectively, had the research credit been reported correctly in the 2020 year. The additional reporting year tax for 2020–2022 is a decrease to tax of \$300 (\$200 + \$50 + \$50). The partner has no other credits in any of the years and no other credits in its 2023 year. Its 2023 tax prior to considering the additional reporting year tax is \$425. The additional reporting year tax reduces the 2023 tax to \$125 (\$425 – correction amount of \$300) leaving a \$200 credit carryforward (additional research credit of \$500 – \$200 – \$50 – \$50) going into 2023. It reports this carryforward on its 2023 Form 3800 and reduces its tax further from \$125 down to zero. The partner will then have a \$75 (\$200 – \$125) research credit carryforward into 2024.

### Line 13

**Special rules.** See section 38(c)(6) for special rules that apply to married couples filing separate returns, controlled corporate groups, regulated investment companies, real estate investment trusts, estates, and trusts.

**Corporations.** Corporations are allowed a general business credit equal to 25% of the excess (if any) of net income tax over \$25,000. Net income tax means the sum of the regular tax liability and the tax imposed by the alternative minimum tax under section 55, reduced by certain other credits.

### Line 17

**C corporations.** If the corporation has undergone a post-1986 ownership change (as defined in section 382(g)), section 383 may limit the amount of tax that may be offset by pre-change general business credits. Also, if a corporation acquires control of another corporation (or acquires its assets in a reorganization), section 384 may limit the amount of tax attributable to recognized built-in gains that may be offset by pre-acquisition general business credits. If either of these limitations apply, attach a computation of the allowable general business credit, enter the amount on Part II, line 17 and write "Sec. 383" or "Sec. 384" in the margin next to your entry on Part II, line 17.

### Lines 18 through 26

These lines are used to claim the empowerment zone employment credit and the renewal community employment credit. Complete lines 18 through 26 only if you have entered an amount for the empowerment zone employment credit on line 3 of Part III, column (e) or (f), or the renewal community employment credit on line 3 of Part III, column (e) or (f), or line 3, of Part IV, column (e) or (f).

### Line 22

Combine the amounts from Part III, line 3, column (e), with the sum of the non-passive activity credit amounts in Part IV, line 3, column (e) plus column (f). The carryforward and carryback for

Form 8844 (Part IV, line 3, columns (e) and (f)) will flow to this line.

### Line 23

Enter the passive activity credit from Part III, line 3, column (f), plus the sum of the passive activity credit amount in Part IV, line 3, column (e) plus column (f).

### Line 24

Enter the applicable passive activity credit amount for the empowerment zone and renewal community employment credit allowed from Form 8582-CR or Form 8810. The passive activity credit amount allowed on Part II, line 24, only applies to the empowerment zone and renewal community employment credit reported on Part III, line 3, plus any prior year unallowed passive activity empowerment zone and renewal community employment credit. See the instructions for the applicable form for details. If no credits are allowed, enter -0- on line 24. See the instructions for Part I, line 3, for the definition of passive activity.

### Line 25

Add lines 22 and 24. If you have amounts on both line 23 and line 24, the total on line 25 will be comprised of both non-passive and passive credits amounts. Attach a statement providing a breakout of the non-passive and passive credit amounts on line 25.



*Passive activity credit amounts generally can only be used to offset positive passive activity income.*

### Line 30

Enter the general business credit from Part III, line 5. Combine column (e) with non-passive amounts in column (g). Do not take into account any amount in column (g) from passive activities. See *Caution* under *Line 1* above.

### Line 32

Enter the sum of passive activity credits from Part III, line 5. Combine column (f) with passive amounts in column (g). Do not take into account any amount in column (g) from non-passive activities. See *Caution* under *Line 2* above.

### Line 33

Enter the applicable passive activity credit amount for general business credits allowed against TMT and eligible small business credits allowed from Form 8582-CR or Form 8810. See the instructions for the applicable form for details.

The passive activity credit amount allowed on Part II, line 33, only applies to the general business credits from Part II, line 32, plus any prior-year unallowed passive activity credit from general business credits reported on Part IV, line 4, column (f), and the eligible small business credit.

If no credits are allowed, enter -0- on line 33.

See the instructions for Part I, line 3, for the definition of a passive activity.

### Line 34

Enter the amount of all carryforwards to 2023 of unused credits that are reported from Part IV, line 5, column (f), and Part IV, line 6, column (g).

**Check the box.** For each credit entered on line 34, if the credit amount was changed or revised from the amount originally reported, check the box on this line and see the [Required statement](#).

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity don't include any carryforward of that credit on Part II, line 34, before figuring the limitation on Part III, line 1c and line 4i. Include the carryforward when figuring the research credit limitation on line 1c and line 4i of any Parts III. Then, include the allowable carryforward amount on Part II, line 34. See the instructions for the [Required statement](#).

**Adjustment for the payroll tax credit.** A qualified small business that elected on Form 6765 to claim a portion of its research credit as a payroll tax credit must reduce its research credit carryforward by the amount elected as a payroll tax credit.

### Line 35

Use Part II, line 35, only when you amend your 2023 return to carry back unused credits from 2024. Enter the carryback amount that is reported in Part V, line 5, column (e). You may not carry back specified credits, including ESB credits, to any tax year before the first tax year for which that specified credit was allowed against TMT.

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity don't include any carryback of that credit on Part II, line 35, before figuring the limitation on Part III, line 4i. Include the carryback when figuring the research credit limitation on Part III, line 4i. Then, include the allowable carryback amount on Part II, line 35. See [Required statement](#), later, and attach the statement to your return.

### Line 38

If the sum of Part II, line 38 and Part III, line 6, column (i), is smaller than the sum of Part I, lines 1, 3, and 4, and Part II, lines 30, 33, and 34 (carryforwards and current business credits only), see [Carryback and Carryforward of Unused Credit](#), earlier.

## Part III. Current Year General Business Credits

If you are claiming a current business credit on your 2023 return, including credits from the credit forms, credits received from pass-through entities, or IRA 2022 credits transferred under section 6418, you must complete the applicable lines and columns of Part III. This requirement includes partnerships, S corporations, and applicable entities making elections under section 6417 or 6418.

**TIP** Complete columns (b), (g), (h), and (i) of Part III (as applicable) only if you are making the elective payment election under section 6417 or the transfer election under section 6418 (as transferor or transferee).

Complete column (c) of Part III and complete Part V only if you are reporting more than one facility or more than one pass-through entity as sources for any one credit.

Complete column (d) of Part III only if you are receiving the credit on a Schedule K-1 from a pass-through entity or receive an eligible credit under section 6418 from an unrelated taxpayer (as transferee).

### Elective Payment of Certain Business Credits Under Section 6417 or Section 48D

An applicable entity, as defined in section 6417(d)(1)(A) (generally, a tax-exempt entity), can elect to treat earned applicable credits as payments against the tax imposed by Subtitle A for its tax year beginning in 2023. The credit is equal to the lesser of the amount of such credit or unused credit with respect to a facility or property or production for which the election is made. Applicable credits include the following.

- Alternative fuel vehicle refueling property, section 30C(d)(1), Form 8911, Part II.

- Renewable electricity production, section 45, Form 8835 for qualified facilities after 2022.
- Carbon oxide sequestration, section 45Q, Form 8933 for carbon-capture equipment placed in service after 2022.
- Zero-emission nuclear power production, section 45U, Form 7213, Part II.
- Clean hydrogen production, section 45V, Form 7210.
- Qualified commercial clean vehicles, section 45W, Form 8936, but not including credits passed through from partnerships or S corporations.
- Advanced manufacturing production, section 45X, Form 7207.
- Energy credit, section 48, Form 3468, Part VI.
- Qualifying advanced energy project credit, section 48C, Form 3468, Part III.
- Advanced manufacturing investment credit, section 48D, Form 3468, Part IV.

Taxpayers that are not applicable entities, including partnerships and S corporations, may elect to be treated as applicable entities but only with respect to the following applicable credits.

- Carbon oxide sequestration for capture equipment placed in service after 2022, Form 8933.
- Clean hydrogen production, Form 7210.
- Advanced manufacturing production, Form 7207.

See the instructions for credit forms for more information.

Taxpayers, including partnerships and S corporations, may also elect payment for advanced manufacturing investment, section 48D, Form 3468, Part IV, under CHIPS 2022. See the Instructions for Form 3468 for more information.

To make an elective payment election, if you have multiple facilities for which you're claiming one of the above credits, complete Part V and then Part III. In Part V, list each facility; in Part III, combine the amounts from all facilities for each credit. If you have only one facility for which you're claiming any one of the above credits, you do not need to use Part V. Complete each line on Part III for which you're claiming an elective payment using the instructions under [Columns \(a\) through \(j\)](#), later.

**TIP** Paper returns take longer to process than e-filed returns. If a return is filed on paper claiming an elective payment election, the delays in processing could be increased.

### Transfer of Eligible Credits Under Section 6418

Eligible taxpayers (taxpayers other than applicable entities) can elect to transfer the following eligible credits.

- Alternative fuel vehicle refueling property, section 30C(d)(1), Form 8911, Part II.
- Renewable electricity production, section 45, Form 8835.
- Carbon oxide sequestration, section 45Q, Form 8933, but not including the credit made under section 45Q(f)(3)(B) election.
- Zero-emission nuclear power production, section 45U, Form 7213.
- Clean hydrogen production, section 45V, Form 7210.
- Advanced manufacturing production, section 45X, Form 7207.
- Energy credit, section 48, Form 3468, Part VI, but not including the credit under section 50(d)(5) and Regulations section 1.48-4.
- Qualifying advanced energy project credit, section 48C, Form 3468, Part III.
- Advanced manufacturing investment credit, section 48D, Form 3468, Part IV.

To make the transfer, if you have multiple facilities for which you're claiming one of the above credits, complete Part V and then Part III. In Part V, complete a line for each facility. In column (a) of Part V, indicate the line number of the credit as shown in Part III. Combine the amounts from all facilities for each credit. If



you have only one facility for which you're claiming any one of the above credits, you do not need to use Part V.

Complete each line in Part III for which you're claiming an elective payment using the instructions under [Columns \(a\) through \(j\)](#) below.

**Basis reduction when certain credit transfers are made.** If an energy investment credit (section 48) or qualifying advanced energy project credit (section 48C) is transferred, the basis reduction rule of section 50(c) applies to the applicable investment credit property as if the transferred eligible credit was allowed to the eligible taxpayer.

**Transfer election statement.** Proposed Regulations 1.6418-2(b)(5)(iii), issued June 21, 2023, provide details regarding the information transferors should provide to transferees. See [Proposed Regulations Under Section 6418](#). Taxpayers may rely on the proposed regulations unless they are replaced with final regulations before the end of the taxpayer's tax year.

### Transferees of Eligible Credits Under Section 6418

A transferee taxpayer, including a partnership or an S corporation, which receives an eligible credit (or portion thereof) from an unrelated eligible taxpayer, may take that credit into account in its first tax year ending with, or after, the tax year of the eligible taxpayer that otherwise earned and reported the credit on the appropriate source credit form. The transferee taxpayer (and not the eligible taxpayer) is treated as the taxpayer with respect to such credit (or portion thereof).

To report the transferred credit on Form 3800, if there are multiple facilities for which you're receiving one of the above credits, complete Part V and then Part III. In Part V, list separately the credit transferred from each facility or from each pass-through entity using the registration number(s) provided by the transferor(s). In Part III, combine the amounts from all facilities and all pass-through entities for each credit. If there is only one facility or one pass-through entity from which you have received a credit transfer of one of the above credits, you do not need to use Part V.

See [Transfer election statement](#) and the proposed regulations for additional information to include with your Form 3800.



*If additional guidance for transferee partnerships and S corporations is issued after these instructions are released, information will be posted under Recent Developments on [IRS.gov/Form1065](https://www.irs.gov/Form1065) or Form 1120-S at [IRS.gov/Form1120S](https://www.irs.gov/Form1120S).*

### Columns (a) Through (j)

**Column (a), Current year credits.** Current year general business credits available are listed in column (a). See Part IV for keywords related to the names of the credits.

**Column (b), Elective payment or transfer registration number.** If an elective payment election or a transfer election has been made, enter the registration number (as shown on the source credit form), if applicable, in column (b). If there are multiple facilities for the same credit listed in Part V, enter in column (b) of Part III the first registration number listed for that credit in Part V.

**Column (c), Number of items.** If in Part V you listed multiple facilities or multiple pass-through entities for any credit, enter in column (c) of Part III the number of facilities and/or pass-through entities listed for that credit in Part V.

**Column (d), Pass-through or transfer credit EIN.**

- If you are reporting a credit from a pass-through entity, enter that pass-through entity's employer identification number (EIN) under column (d) for that credit.
- If you are reporting a credit reported to you on Form 1099-PATR, Taxable Distributions Received From Cooperatives, enter that cooperative's EIN under column (d) for that credit.
- If there are multiple pass-through entities for the same credit, report the credit for each pass-through entity in Part V and then enter the EIN of the pass-through entity allocating the greatest amount of the credit to you in Part III, column (d).
- If you are reporting a credit that you purchased from an eligible taxpayer or transferor under section 6418, enter that transferor entity's employer identification number (EIN) under column (d) for that credit.
- If there are multiple transferor entities for the same credit, report the credit for each transferor entity in Part V and then enter the EIN of the transferor entity that sold the greatest amount of the credit to you in Part III, column (d).

**Column (e), Credits from non-passive activities.** Enter the credits that for you are non-passive based on your level of participation in the activity.

**Column (f), Current year and carryover passive activity credit.** Enter the current year and carryover passive activity credits allowable to you before applying the passive activity credit limitations of Form 8582-CR or Form 8810.

**Column (g), Credit transfer election amount.** Indicate the transfer election by entering the amount transferred by you to another entity as a negative number. If you are a transferee, enter the amount transferred to you as a positive number.

**Column (h), Gross elective payment election amount.** Enter the amount of the elective payment election you are making before considering limitations from Part II. Applicable entities with no UBTI and no income tax report the total elective payment election amount on Form 990-T, Part III, line 6j, Other. Partnerships report the total elective payment election amount on Form 1065, line 29. S corporations report the total elective payment election amount on Form 1120-S, line 24d.

**Note.** The figures for columns (i) and (j) do not flow directly from the columns to the left.

**Column (i), Net elective payment election amount.** Enter the amount of any unused current year credit for which you made an election under section 48D(d) or 6417. The unused credit amount is the gross elective payment election amount less any amount of such credit allowed on Part II, line 38. See [Credit Ordering Rule](#), earlier. If no amount of such credit on the applicable line was used or allowed in Part II, line 38, enter the gross elective payment election amount from column (h) on the applicable line of column (i).

**Column (j), Combine columns (e), (f) and (g) less column (i).** If you are a partnership or S corporation that only transferred a portion of any eligible credit, report the non-transferred portion shown in column (j) on the applicable line of your Schedules K and K-1. See the instructions for Forms 1065 and 1120-S for reporting codes of the specific credit.

**Example.** In 2023 ABC is in the business of producing components that qualify for the advanced manufacturing production credit, section 45X. ABC is also entitled to a work opportunity tax credit under section 51(a). ABC's activities generate an advanced manufacturing production credit of \$100,000 from a facility with an IRS-issued registration number, and a work opportunity tax credit of \$50,000. ABC has no other business credits, including business credit carryforwards to the year.

ABC reports its current work opportunity tax credit and advanced manufacturing production credit on Form 3800, Part

III. On its Part III, line 4b (Form 5884), ABC enters 1 in column (c), leaves column (d) blank, and enters \$50,000 in column (e), credits from non-passive activities.

ABC makes an elective payment election for the advanced manufacturing production credit by completing line 1b of Part III of Form 3800 as follows. Column (b) is the IRS-issued registration number. Column (c) is 1 because ABC has only one facility. Column (d) is blank because ABC is not transferring any of its credits. Column (e) is \$100,000, the amount of the advanced manufacturing production credit for ABC, figured on Form 7207. Column (f) is blank because none of the credit is subject to the passive activity limitation rules. Column (g) is blank because ABC is not transferring any of its credit. Column (h) is \$100,000, the gross elective payment election amount. (If ABC had multiple facilities in which it produced eligible components, it would have obtained a registration number for each facility and would list those facilities separately in Part V of Form 3800, and then provide the aggregate amounts in Part III.)

ABC enters \$100,000 of advanced manufacturing production credit (Form 7207) on line 1 of Part I, and \$50,000 of work opportunity credit (Form 5884) on line 30 of Part II. For Part III, line 1b, column (i), ABC first determines its allowed credit after the limitations figured on lines 11 through 17 of Part II. For purposes of this example, ABC has \$75,000 on line 17 of Part II. Under the credit ordering and limitation rules, all \$50,000 of the work opportunity credit is used before any advanced manufacturing production credit. This leaves \$25,000 allowable credit remaining, so ABC enters \$25,000 of advanced manufacturing production credit on line 38 of Part II. After determining the amount of allowed general business on line 38, ABC enters unused advanced manufacturing production credit of \$75,000 on line 1b, column (i) of Part III. This net elective payment election amount is also reported on designated line of ABC's return. See the instructions for line 6 of Part III, column (h) and (i), below.

### Limitation on Certain Credits Reported in Part III

The aggregate amount from each credit form is usually reported on the appropriate line of Form 3800, Part III, to reflect self-generated credit sources and all pass-through entity sources. However, certain credits have limitations imposed. They include:

- Form 3468, Part VI, Section F, line 11c—\$4,000 limitation for qualified small wind energy property (reported on Part III, line 4a);
- Form 8826, line 8—\$5,000 limitation for the overall credit (reported on Part III, line 1e); and
- Form 8882, line 7—\$150,000 limitation for the overall credit (reported on Part III, line 1k).

In situations where there is a limitation on the credit amount, the limited amount allowed is allocated pro rata and anything above the limitation is lost.

### Lines 1a and 4a

If you are a cooperative described in section 1381(a), you must allocate to your patrons the investment credit in excess of your tax liability limit. Allocate to your patrons the portion, if any, of the investment credit on Part I, line 6, or Part II, line 36, in excess of Part II, line 16 or line 29, respectively. While any excess is allocated to patrons, any credit recapture applies as if you, as the cooperative, had claimed the entire credit.

**Note.** Any carryforward of the qualifying therapeutic discovery project credit may be claimed on Part IV, line 2w.

### Lines 1c and 4i



A qualified small business must complete Form 3800 before completing Section D of Form 6765 if the payroll tax credit is being claimed. See the Instructions for Form 6765 for more details.

Eligible small businesses, enter your research credit on line 4i. See the definition of [eligible small business](#), earlier. All others, enter your research credit on line 1c.

Partners and S corporation shareholders, see [Treatment of partners and S corporation shareholders](#) under [Eligible Small Business](#), earlier.

**Research credit limitation.** If you are an individual, the amount of the research credit that may be included on Part III, line 1c or line 4i, is limited to the amount of tax attributable to your taxable income from the sole proprietorship or your interest in the pass-through entity (partnership, S corporation, estate, or trust) generating the credit. Figure the research credit limitation separately for each sole proprietorship or pass-through entity by using the following formula.

$$\text{Line 11} \times \frac{\text{Taxable income attributable to the sole proprietorship or your interest in the pass-through entity}}{\text{Your taxable income for the year}}$$

The sum of the fractions used for determining the limits can't exceed 1. The research credit used to determine the limitation is the sum of the current year credit (determined without regard to the limitation), any carryforwards (adjusted for any payroll tax credit claimed) of the credit not used in prior years, and any carryback of the credit from 2024. For information on how to figure your taxable income for the year, your taxable income attributable to the sole proprietorship, or your interest in the pass-through entity, see Regulations sections 1.41-7(c) and 1.53-3.

If in the current tax year you had no taxable income attributable to a particular business interest, you can't claim any research credit this year related to that business.

If any of your research credit isn't allowed to be used because of this limitation, see [Carryback and Carryforward of Unused Credit](#), earlier.

### Line 1e

When reporting the disabled access credit from Form 8826 on Part III, line 1e, don't enter more than \$5,000.

### Line 1f

Cooperatives, estates, and trusts, enter the applicable part of the amount from Form 8835, Part II, line 17. All others, enter the applicable part of the amount from Form 8835, Part II, line 15. Don't enter an amount from Form 8835 that is included on Form 3800, Part III, line 4e.

### Line 1j

When reporting the credit for small employer pension plan startup costs and auto-enrollment for retirement savings from Form 8881, Part I, line 8, and Part II, line 11, and enter on Part III, line 1j.

### Line 1k

When reporting the credit for employer-provided childcare facilities and services from Form 8882 on Part III, line 1k, don't enter more than \$150,000.

## Line 1bb

Enter the amount from Form 8904, Credit for Oil and Gas Production from Marginal Wells, line 8, or from the applicable line of your Schedule K-1. See the Instructions for Form 8904 for more information.

## Lines 4a Through 4z

Enter the amount of the specified credit on the applicable line. See also the instructions for lines 1c and 4i, earlier.

## Line 4d

When reporting the disabled access credit from Form 8826 on Part III, line 4e, don't enter more than \$5,000 in columns (e) and (f).

## Line 4h

Tax-exempt eligible small employers, other than certain farmers' cooperatives, don't report the credit for small employer health insurance premiums on Part III, line 4h. Eligible tax-exempt small employers will report this credit on Form 990-T.

## Line 6, column (g)

If you are a partnership or S corporation that received eligible credit(s) from transferor(s) under a section 6418 election, report the positive amounts included in the total of line 6, column (g) on Schedules K and K-1. See the instructions for Form 1065 and Form 1120-S for the information that you must provide to your partners or shareholders to report their distributive share of such credits on their Forms 3800 attached to their income tax returns.

Partners and shareholders enter the distributive share of each purchased credit on the applicable line of their Form 3800, Part III.

## Line 6, column (h)

Partnerships, S corporations, and tax-exempt entities with no UBTI report the total elective payment election amount from Part III, line 6, column (h), on the designated line of your return, shown below. See also the instructions for Forms 1065, 1120-S, and 990-T for additional reporting information.

- Form 1120-S, U.S. Income Tax Return for an S Corporation, line 24d.
- Form 1065, U.S. Return of Partnership Income, line 29.
- Form 990-T, Exempt Organization Business Income Tax Return Part III, line 6g.

## Line 6, column (i)

If you are required to complete Parts I and II of Form 3800 to determine general business credit allowed for the current year (if any), report the total net elective payment amount from Part III, line 6, column (i), on the designated line of your return shown below.



*A tax-exempt entity with UBTI related to the facility or property for which you made a section 6417 election must complete Parts I and II.*

- Form 1120, U.S. Corporation Income Tax Return Schedule J, line 22.
- Form 1120-F, U.S. Income Tax Return of a Foreign Corporation, line 5j.
- Form 1120-L, U.S. Life Insurance Company Income Tax Return, line 27i.
- Form 1120-H, U.S. Income Tax Return for Homeowners Associations, line 23f.
- Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, line 23d.
- Form 1120-C, U.S. Income Tax Return for Cooperative Associations, line 30i.

- Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return, line 15g.
- Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies, line 28h.
- Form 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts, line 25h.
- Form 1041, U.S. Income Tax Return for Estates and Trusts Schedule G, line 18a.
- Form 1041-N, U.S. Income Tax Return for Electing Alaska Native Settlement, line 19.
- Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts, line 18.
- Form 990-T, Exempt Organization Business Income Tax Return Part III, line 6g.
- Form 1040, U.S. Individual Income Tax Return Schedule 3, line 13c.

## Part IV. Carryovers of General Business Credits (GBCs) or Eligible Small Business Credits (ESBCs)

Use Parts IV and VI to record the carryforwards and carrybacks as shown in your business records before application of the credits to the current year tax. The information on Parts IV and VI comes from your tax returns and schedules for prior years (and subsequent year, for carrybacks). These include Form 3800, Schedules K-1, and your related work papers. If you checked the boxes on Part I, line 4, and Part II, line 34, you must attach the required statement, discussed next. See [Carryback and Carryforward of Unused Credit](#), earlier.

**Required statement.** For each credit, attach a statement with the following information.

- Show the tax year in which the credit originated, the amount of the credit as reported on the original return, and the amount allowed for that year. Also, state whether the total carryforward amount was changed from the originally reported amount and identify the type of credit(s) involved. If the revised carryforward amount relates to unused additional research credits, attach an additional statement detailing the changes to the originally reported Form 6765 information for all originating credit years applicable.
- For each carryback year, show the year and the amount of the credit allowed after you applied the carryback.
- For each carryforward year, show the year and the amount of the credit carryforward allowed for that year.

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity don't include any carryforward of that credit on Part I, line 4, before figuring the limitation on Part III, line 1c. Include the carryforward when figuring the research credit limitation on line 1c of Part III. Then, include the allowable carryforward amount on Part I, line 4, and attach the statement required above.

**Adjustment for the payroll tax credit.** A qualified small business that elected on Form 6765 to claim a portion of its research credit as a payroll tax credit must reduce its research credit carryforward by the amount elected as a payroll tax credit.


**Column (a), Credits carried over to tax year 2023.** This column lists the credits from prior years (or subsequent year, for carrybacks). Keywords from the credit title are provided in parentheses. See the credit form for the complete name and description of the credit.

**Column (b), Check if non-passive.** Check the box if the credit is non-passive based on your level of participation.

**Column (c), Year.** Enter the earliest year.

**Column (d), Pass-through entity EIN.** If the credit was allocated to you from a pass-through entity, enter the EIN of the pass-through entity. If multiple pass-through entities are listed for the credit in Part VI, enter the EIN of the entity allocating the greatest amount of the credit to you.

**Column (e), Credit carrybacks to current year.** This column is used when Form 3800 is being submitted with an amended return. Enter the amount carried back from a subsequent year to the year for which you are filing the amended return.

 **TIP** No part of the unused credit for any year attributable to any credit can be carried back to any tax year before the first tax year for which that credit was first allowable, including new IRA 2022 energy credits. See [Carryback and Carryforward of Unused Credit](#), earlier.


**Column (f), Carryforwards (excluding ESBCs).** Include in this column carryforwards from all prior years, excluding ESBCs.

**Column (g), ESBC carryforwards.** Include in this column carryforwards of ESBCs from all prior years.

**Line 1.** Lines 1a through 1ff list the same credits shown on Part III, lines 1a through 1ff.

**Carryforward of certain other credits.** Use new Part IV, line 1zz, to enter any carryforward to 2023 of any unused credit from the general business credits no longer listed on Form 3800 due to, for example, expiration of a tax provision. The pre-2008 section 42 low-income housing credit should be reported on Part IV, line 2b.

**Note.** If a carryforward amount is entered on Part IV, line 1zz, see the instructions for Part I, line 4, for the statement to attach.

 **CAUTION** If any carryforward amount is entered on Part IV, line 1a through 1zz, see Required Statement, earlier.

**Line 2.** Lines 2a through 2w are for expired credits for which only carryforwards are allowed. Use line 2yy for the carryforward of any credit not listed for which only carryforwards are generally allowed, and write the name and form number of the credit on line 2yy in column (a). See *Required Statement*, earlier, if you revised any carryforwards on line 2.

**Line 3.** This line is for carryforwards and carrybacks of the empowerment zone credit (Form 8844) and carryforwards of the renewal community employment credit.

**Line 4.** Lines 4a through 4k are for carryforwards and carrybacks of specified credits identified in section 38(c)(4)(B).

## Part V. Breakdown of Aggregate Amounts in Part III for Facility-by-Facility, Multiple Pass-Through Entities, etc.

If any of the amounts entered in Part III (aside from totals) are aggregate figures from more than 1 year or more than 1 pass-through entity, provide breakdowns of those figures by tax year and by the EIN of the pass-through entity, if applicable, in Part VI. Use only the columns applicable for the particular credits you are reporting.

If you elected payment or transferred a credit (or portion thereof) for a facility or property on Part III, enter the amounts and information (including IRS-issued registration number) for each facility or property in columns (a), (b), (d)–(h) (if applicable). If you transferred a credit (or portion thereof) under section 6418, enter the amount in column (g) as a negative number. See [Transfer of Eligible Credits Under Section 6418](#), earlier.

Transferees enter the amount of purchased credit from the applicable line(s) of Part III as a positive number(s) in column (g), and enter relevant information provided by the transferor in columns (a), (b), (c), (d), and (e) (as applicable). You must also attach each transfer election information provided by the transferor to take into account your purchased credits in Part I and Part II of Form 3800. See [Transfer of Eligible Credits Under Section 6418](#), earlier.

## Part VI. Breakdown of Aggregate Amounts in Part IV

If any of the amounts entered in Part IV (aside from totals) are aggregate figures from more than 1 year or more than 1 pass-through entity, provide breakdowns of those figures by tax year and by the EIN of the pass-through entity, if applicable, in Part VI. Use only the columns applicable for the particular credits you are reporting.

**Example.** You have accrued a disabled access credit (Form 8826) of \$100 from Partnership 1 in 2019 and \$30 from Partnership 2 in 2021. The passive activity rules apply to both of these activities for you. On Part VI, line 1, in column (a), enter 1e, which refers to the line in Part IV where the disabled access credit is listed. In column (b) of line 1 of Part VI, leave the box unchecked to indicate that this disabled access credit is from an activity that is a passive activity for you. Enter 2019 in column (c). In column (d), enter the EIN of Partnership 1. Leave column (e) blank. Enter \$100 in column (f) if Partnership 1 is not an ESB. If Partnership 1 is an ESB, leave column (f) blank and enter \$100 in column (g). For the credit from Partnership 2, repeat similar steps on line 2 of Part VI.

On Part IV, line 1e, leave unchecked the box in column (b), enter 2019 in column (c), enter the EIN of Partnership 1 in column (d) because Partnership 1 allocated the greatest amount of the credit to you, and enter \$130 in column (f) if neither partnership is an ESB. If either Partnership 1 or Partnership 2 is an ESB, enter the appropriate amounts in column (g) instead of column (f).

**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> . . . . .	30 hr., 51 min.
<b>Learning about the law or the form</b> . . . . .	1 hr.
<b>Preparing and sending the form to the IRS</b> . . . . .	1 hr., 32 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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