



# 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 [www.irs.gov/form3800](http://www.irs.gov/form3800).

### General Instructions



**TIP** Generally, you are not required to complete the source credit form or attach it to Form 3800 if you are a taxpayer that is not a partnership or S corporation, and your only source for a credit listed in Form 3800, Part III, is from a partnership, S corporation, estate, trust, or cooperative. The following exceptions apply:

- You are claiming the investment credit (Form 3468) or the biodiesel and renewable diesel fuels credit (Form 8864) in Part III with box A or B checked.
- The taxpayer is an estate or trust and the source credit can 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.
- The taxpayer is 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.

### Carryback and Carryforward of Unused Credit



**CAUTION** The carryforward may have to be reduced in the event of any recapture event (change in ownership, change in use of property, etc.). If a section 1603 grant is received, the carryforward must be reduced to zero. For further information, see Form 4255, *Recapture of Investment Credit*.

If you cannot use part or all of your general business credit because of the tax liability limit (line 38 is less than the sum of Part I, line 6, and Part II, lines 25 and 36), carry the unused credit back one year. To

carry back an unused credit, file an amended return (Form 1040X, Amended U.S. Individual Income Tax Return, Form 1120X, 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.

**Note.** 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. See [Credit Ordering Rule](#), later, to determine which credits are allowed first.

If you have an unused credit after carrying it back 1 year, 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.

**Carryforward of the energy credit and the renewable electricity credit.** The energy credit must be recaptured in full if a grant is paid under Public Law 111-5, section 1603, for investment in energy property that an energy credit was previously claimed or for investment in renewable energy property that an election was made to treat the property as energy property. Recapture is applicable to those amounts previously constituting the qualified basis for an energy credit, including progress expenditures, that are also the basis for the 1603 grant. Recapture is accomplished as follows:

1. Any portion of the energy credit related to that property that was used to offset tax in a prior tax year must be added to tax in the tax year the 1603 grant is received. Recaptured tax is calculated on Form 4255.
2. Any carryforward of the energy credit related to that property is reduced to

zero to recapture the unused portion of the credit.

See Form 4255 for any other recapture event (change in ownership or change in use of property, etc.).

### 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 he or she 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 all Parts III with boxes A, B, C, and D checked.
- Credits reported on Part II, line 25.
- Non-ESBC credits reported on line 5 of all Parts III with boxes A, B, C, and D checked.
- ESBC credits reported on line 6 of all Parts III with box G checked.

**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, and qualifying advanced energy project credit) (Form 3468).
- Qualifying therapeutic discovery project credit (carryforward only).
- Work opportunity credit (Form 5884).
- Biofuel producer credit (Form 6478).
- Credit for increasing research activities (Form 6765).
- Low-income housing credit (Form 8586, Part I only).
- Disabled access credit (Form 8826).
- Renewable electricity, refined coal, and Indian coal production credit (Form 8835).
- Empowerment zone employment credit (Form 8844).
- Renewal community employment credit (carryforward only).
- Indian employment credit (Form 8845).

- 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).
- Credit for employer-provided child care facilities and services (Form 8882).
- Qualified railroad track maintenance credit (Form 8900).
- Biodiesel and renewable diesel fuels credit (Form 8864).
- Low sulfur diesel fuel production credit (Form 8896).
- Distilled spirits credit (Form 8906).
- Nonconventional source fuel credit (Form 8907).
- Energy efficient home credit (Form 8908).
- Energy efficient appliance credit (Form 8909).
- Alternative motor vehicle credit (Form 8910).
- Alternative fuel vehicle refueling property credit (Form 8911).
- Mine rescue team training credit (Form 8923).
- Agricultural chemicals security credit (Form 8931).
- Credit for employer differential wage payments (Form 8932).
- Carbon dioxide sequestration credit (Form 8933).
- Qualified plug-in electric drive motor vehicle credit (Form 8936).
- Qualified plug-in electric vehicle credit (carryforward only).
- Credit for small employer health insurance premiums (Form 8941).
- New hire retention credit (carryforward only).
- General credits from an electing large partnership (Schedule K-1 (Form 1065-B)).



*Although these credits are aggregated on Form 3800, keep a separate record of each credit, including whether the credit was an eligible small business credit, to ensure proper accounting of the credits.*

## Specific Instructions

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

**Assembling Form 3800.** To ensure Form 3800 is correctly processed, assemble Form 3800 in the following order.

1. Page 1.
2. Page 2.
3. Part III with box I checked.
4. All Parts III with box A checked.

5. All Parts III with box B checked.
6. Part III with box C checked.
7. Part III with box D checked.
8. Part III with box G checked.

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



*Complete all Parts III before completing Part I and Part II. See [Part III. General Business Credits](#) or [Eligible Small Business Credits](#) for more information.*

### 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 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.

Generally, a passive activity is a trade or business in which you did not 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 2013 of unused credits that are reported from line 2 of Part III with box C checked.

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

- Show the tax year 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 do not include any carryforward of that credit on line 4 before computing the limitation on line 1c. Include the carryforward when figuring the

research credit limitation on line 1c of any Parts III with the applicable box A or B checked. Then include the allowable carryforward amount on line 4 and attach the statement required above.

## Line 5

Use line 5 only when you amend your 2013 return to carry back unused credits from 2014. Enter the amount that is reported from line 2 of Part III with box D checked.

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity do not include any carryback of that credit on line 5 before computing the limitation on line 1c. Include the carryback when figuring the research credit limitation on line 1c of any Parts III with the applicable box A or B checked. Then include the allowable carryback amount on line 5. **See the instructions for Part I, line 4, for the required statement that must be attached to your tax return.**

## Part II. Allowable Credit

### Line 10b

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

**Individuals.** The amount from Form 1040, lines 48 through 53 (Form 1040-NR, lines 46 through 50). Do not 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.

**Corporations.** Enter the amount from Form 1120, Schedule J, line 5b (or the applicable line of your return).

### Line 13

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.

### Line 17

**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 line 17, and write "Sec. 383" or "Sec. 384" in the margin next to your entry on line 17.

## Line 18

Complete lines 18 through 26 if any of the following apply.

- An amount is entered for the empowerment zone employment credit on line 3 of Part(s) III with box A, B, C, or D checked;
- An amount is entered for the renewal community employment credit on line 3 of Part III with box C checked; or
- If you have prior year unallowed passive activity credit carryover for the empowerment zone or renewal community employment credit.

If any of the above apply, multiply line 14 by 75% (.75).

All others, skip lines 18 through 25 and enter zero on line 26.

## 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 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.

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

## 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 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 III, line 4, and eligible small business credit.

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

## Line 34

Enter the amount of all carryforwards to 2013 of unused credits that are reported from line 5 of Part III with box C checked and line 6 of Part III with box G checked.

**Note.** Individuals claiming the research credit from a sole proprietorship or

pass-through entity do not include any carryforward of that credit on line 34 before computing the limitation on line 1c. Include the carryforward when figuring the research credit limitation on line 1c of any Parts III with the applicable box A or B checked. Then include the allowable carryforward amount on line 34. **See the instructions for Part I, line 4, for the required statement that must be attached to your tax return.**

## Line 35

Use line 35 only when you amend your 2013 return to carry back unused credits from 2014. Enter the amount that is reported from line 5 of Part III with box D checked.

**Note.** Individuals claiming the research credit from a sole proprietorship or pass-through entity do not include any carryback of that credit on line 35 before computing the limitation on line 1c. Include the carryback when figuring the research credit limitation on line 1c of any Parts III with the applicable box A or B checked. Then include the allowable carryback amount on line 35. **See the instructions for Part I, line 4, for the required statement that must be attached to your tax return.**

## Line 38

If line 38 is smaller than the sum of Part I, line 6, and Part II, lines 25 and 36, see [Carryback and Carryforward of Unused Credit](#), earlier.

## Part III. General Business Credits or Eligible Small Business Credits

Complete a separate Part III for each box checked. In addition, for each box A or B checked, if you have a credit from more than one source and one of the sources is a pass-through entity, including a cooperative (see [Column \(b\)](#), later), a separate Part III is needed for each pass-through entity for which you received the same credit. As a result, one checkbox could have multiple Parts III if you receive a single credit from multiple pass-through entities.



*After you have completed all necessary Parts III, complete Part I, if necessary, then Part II.*

## Box A Through D and G

Check the box that identifies the credit being reported.

## Box I

Check box I if you are reporting credits on more than one Part III with box A or B checked. Part III with box I checked is used to consolidate the amounts from all Parts III with box A or B by combining the



amounts of each credit line from the Parts III with these boxes checked.

A consolidated Part III is needed if there is more than one Part III with box A or B checked. More than one box A or B means more than one individual letter box (for example, if there is more than one Parts III with box B checked, a consolidated Part III is needed to reflect the total of all the boxes B checked) or more than one combination of letters (for example, if there is a box A checked and a box B checked, a consolidated Part III is needed to reflect the total of boxes A and B).

### Column (b)

If you are reporting a credit from a pass-through entity, you must enter that pass-through entity's employer identification number (EIN) under column (b) for that credit.

If you are reporting a credit reported to you on Form 1099-PATR, Taxable Distributions Received From Cooperatives, you must enter that cooperative's EIN under column (b) for that credit.

A separate Part III will be needed to report the EIN of the pass-through entity, including cooperatives, and the amount of credit from that entity, if a credit is received from more than one source and one of the sources is a pass-through entity, including a cooperative. Column (b) is only completed for any Part III with box A or B checked.

### Limitation on Certain Credits

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

- Form 3468, Part III, line 12p – \$4,000 limitation for qualified small wind energy property (reported on line 4a);
- Form 8826, line 8 – \$5,000 limitation for the overall credit (reported on line 1e);
- Form 8881, line 5 – \$500 limitation for the overall credit (reported on line 1j);
- Form 8882, line 7 – \$150,000 limitation for the overall credit (reported on line 1k);
- Form 8909, line 23. See the Form 8909 instructions for information on the limitation that applies (reported on line 1q); and
- Form 8931, line 8 – \$2 million limitation for the overall credit (reported on line 1v).

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 line 6 or line 36 in excess of 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 line 1a.

### Line 1c

**Research credit limitation.** If you are an individual, the amount of the research credit that may be included on line 1c 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 cannot exceed one. The research credit used to determine the limitation is the sum of the current year credit (determined without regard to the limitation), any carryforwards of the credit not used in prior years, and any carryback of the credit from 2014. For information on how to compute 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 cannot claim any research credit this year related to that business.

If any of your research credit is not 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 line 1e, do not enter more than \$5,000 in column (c) of Parts III with box A or B checked, combined.

### Line 1f

Cooperatives, estates, and trusts: enter the amount from Form 8835, line 12, and the applicable part of the amount from Form 8835, line 32. All others: enter the amount from Form 8835, line 10, and the applicable part of the amount from Form 8835, line 30. Do not enter an amount from Form 8835 that is included on Form 3800, line 4e.

### Line 1j

When reporting the credit for small employer pension plan startup costs from Form 8881 on line 1j, do not enter more than \$500 in column (c) of Parts III with box A or B checked, combined.

### Line 1k

When reporting the credit for employer-provided childcare facilities and services from Form 8882 on line 1k, do not enter more than \$150,000 in column (c) of Parts III with box A or B checked, combined.

### Line 1v

When reporting the agricultural chemicals security credit from Form 8931 on line 1v, do not enter more than \$2 million in column (c) of Parts III with box A or B checked, combined.

### Line 1bb

Enter the total of the amounts shown in box 7 of the Schedules K-1 (Form 1065-B), Partner's Share of Income (Loss) From an Electing Large Partnership, you received from electing large partnerships (ELPs).

### Line 1zz

Enter any carryforward to 2013 of any unused credit from:

- Form 3468 (for years prior to 2008 for the rehabilitation credit) (for tax years beginning before October 4, 2008, for the energy credit);
- Form 5884 for years prior to 2007;
- Form 6478 for years prior to 2005;
- Form 8846 for years prior to 2007; or
- Form 8900 for years prior to 2008.

Also use line 1zz to enter any carryforward to 2013 of any unused credit from general business credits no longer covered on Form 3800 due to, and not limited to, expiration of a tax provision. The following list identifies these credits.

- Trans-Alaska pipeline liability fund credit.
- Credit for employers affected by Hurricane Katrina, Rita, or Wilma (Form 5884-A, Section A only).
- Hurricane Katrina housing credit (Form 5884-A, Section B only).
- Credit for affected Midwestern disaster area employers (Form 5884-A, Section A only).

- Employer housing credit (Form 5884-A, Section B only).
- Enhanced oil recovery credit (Form 8830).
- Credit for contributions to selected community development corporations (Form 8847).
- Welfare-to-work credit (Form 8861).
- New York Liberty Zone business employee credit (Form 8884).

Only Part III with box C checked is to be used with a line 1zz credit entry under column (c). No EINs are required under column (b).

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

### Line 3

Include any carryforward of the renewal community employment credit on line 3.

### Line 4h

Credit for Small Employer Health Insurance Premiums (Form 8941):

- Tax-exempt eligible small employers, other than certain farmers' cooperatives, do not report the credit for small employer health insurance premiums on line 4h. Eligible tax-exempt small employers will

report this credit on Form 990-T, Exempt Organization Business Income Tax Return.

- If your only source of credit listed on line 4h is from pass-through entities, you are not required to complete or attach Form 8941. Instead, enter the credit directly on line 4h.
- Eligible small employers (other than tax-exempt eligible small employers) will enter the credit from Form 8941, line 16 or line 18.

See the Instructions for Form 8941 for more information.

**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 Internal Revenue Code 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.

<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.