

2013

Instructions for Form 8910

Alternative Motor Vehicle Credit



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Department of the Treasury **Internal Revenue Service** www.irs.gov



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General Instructions

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

Future Developments

For the latest information about developments related to Form 8910 and its instructions, such as legislation enacted after they were published, go to

www.irs.gov/form8910.

Purpose of Form

Use Form 8910 to figure your credit for alternative motor vehicles you placed in service during your tax year. The credit attributable to depreciable property (vehicles used for business or investment purposes) is treated as a general business credit. Any credit not attributable to depreciable property is treated as a personal credit.

Taxpayers that are not partnerships or S corporations, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on Form 3800.

Alternative Motor Vehicle

An alternative motor vehicle is a vehicle with at least four wheels that qualifies as a qualified fuel cell vehicle.

Qualified fuel cell vehicle. This is a new vehicle propelled by power derived from one or more cells that convert chemical energy directly into electricity by combining oxygen with hydrogen fuel, and that meets certain additional requirements.

Certification and other requirements. Generally, you can rely on the manufacturer's (or, in the case of a foreign manufacturer, its domestic distributor's) certification to the IRS that a specific make, model, and model year vehicle qualifies for the credit and the amount of the credit for which it qualifies. The manufacturer or domestic distributor should be able to provide you with a copy of the IRS letter acknowledging the certification of the vehicle.

If, however, the IRS publishes an announcement that the certification for any specific make, model, and model year vehicle has been withdrawn, you cannot rely on the certification for such a vehicle purchased after the date of publication of the withdrawal announcement.

If you purchased a vehicle and its certification was withdrawn on or after the date of purchase, you can rely on such certification even if you had not placed the vehicle in service or claimed the credit by the date the withdrawal announcement was published by the IRS. The IRS will not attempt to collect any understatement of tax liability attributable to reliance on the certification as long as you purchased the vehicle on or before the date the IRS published the withdrawal announcement.

The following requirements must be met to qualify for the credit:

- You are the owner of the vehicle. If the vehicle is leased, only the lessor and not the lessee, is entitled to the credit;
- You placed the vehicle in service during your tax year;
- The original use of the vehicle began with you;
- You acquired the vehicle for use or to lease to others, and not for resale; and
- You use the vehicle primarily in the United States.

Exception. If you are the seller of an alternative motor vehicle to a tax-exempt organization, governmental unit, or a foreign person or entity, and the use of that vehicle is described in section 50(b)(3) or (4), you can claim the credit, but only if you clearly disclose in writing to the purchaser the amount of the tentative credit allowable for the vehicle (from line 6 of Form 8910). Treat all vehicles eligible for this exception as business/investment property. If you elect to claim the credit, you must reduce cost of goods sold by the amount you entered on line 6 for that vehicle.

More information. For details, see the following.

- Section 30B.
- Notice 2008-33, 2008-12 I.R.B. 642, available at www.irs.gov/irb/2008-12_IRB/ar12.html.

Basis Reduction

Unless you elect not to claim the credit, you may have to reduce the basis of each vehicle by the sum of the amounts entered on lines 6 and 10 for that vehicle.

Coordination With Other Credits

If a vehicle qualifies for the qualified plug-in electric drive motor vehicle credit on Form 8936, Qualified Plug-

In Electric Drive Motor Vehicle Credit, the vehicle does not qualify for the alternative motor vehicle credit.

Recapture of Credit

If the vehicle no longer qualifies for the credit, you may have to recapture part or all of the credit. For details, see section 30B(h)(8).

Specific Instructions

Line 2

Enter the vehicle's vehicle identification number (VIN) on line 2. The VIN of a vehicle can be obtained from the registration, title, proof of insurance, or actual vehicle. Generally, the VIN is 17 characters made up of numbers and letters.

Line 4

Tentative Credit

Enter the tentative credit for the year, make, and model of vehicle you entered on line 1. You can generally rely on the manufacturer's (or domestic distributor's) certification to the IRS of the credit allowable as explained earlier.

For information on credit amounts for qualified fuel cell vehicles (for example, \$8,000 for the 2012 Honda

FCX Clarity), visit IRS.gov and search for “Qualified Fuel Cell Vehicles.”

Line 5

Enter the percentage of business/investment use.

Enter 100% if the vehicle is used solely for business purposes or you are claiming the credit as the seller of the vehicle.

If the vehicle is used for both business purposes and personal purposes, determine the percentage of business use by dividing the number of miles the vehicle is driven during the year for business purposes or for the production of income (not to include any commuting mileage) by the total number of miles the vehicle is driven for all purposes. Treat vehicles used by your employees as being used 100% for business/investment purposes if the value of personal use is included in the employees’ gross income, or the employees reimburse you for the personal use. If you report the amount of personal use of the vehicle in your employee’s gross income and withhold the appropriate taxes, enter 100% for the percentage of business/investment use.

If during the tax year you convert property used solely for personal purposes to business/investment use (or vice versa), figure the percentage of

business/investment use only for the number of months you use the property in your business or for the production of income. Multiply that percentage by the number of months you use the property in your business or for the production of income and divide the result by 12. For example, if you converted a vehicle to 50% business use for the last 6 months of the year, you would enter 25% on line 5 (50% multiplied by 6 divided by 12).

For more information, see Pub. 463, Travel, Entertainment, Gift, and Car Expenses.

Line 8

Enter total alternative motor vehicle credits from:

- Schedule K-1 (Form 1065), box 15 (code P)
- Schedule K-1 (Form 1120S), box 13 (code P)

Line 13

Enter the total, if any, credits from Form 1040, lines 47 through 50 (or Form 1040NR, lines 45 through 47); Form 5695, line 30; and Schedule R, line 22.

Line 15

If you cannot use part of the personal portion of the credit because of the tax liability limit, the unused credit is lost. The unused personal portion of the credit cannot be carried back or forward to other tax years.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for

their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping 5 hr., 15 min.

Learning about the law or the form. 18 min.

Preparing and sending the form to the IRS. 23 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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