FORM 3468
U.S. Treasury Department
Internal Revenue Service

COMPUTATION OF INVESTMENT CREDIT—1962

or taxable year beginning ...., 1962, ending ...., 19...

TO BE ATTACHED TO YOUR TAX RETURN

Name (as shown on page 1 of your tax return)

Your social security number (if other than individual, give employer identification number)

Address (number and street)

City or town, postal zone number, State

1. Qualified investment in new or used property

NOTE: Include your share of investment in property by partnerships, estates, trusts or small business corporations.

Type of property	Line	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Qualified investment (column 2 x column 3)
NEW PROPERTY	(a)	4 to 6		33⅓	
	(b)	6 to 8		66⅔	
	(c)	8 or more		100	
USED PROPERTY (for dollar limitation see instructions)	(d)	4 to 6		33⅓	
	(e)	6 to 8		66⅔	
	(f)	8 or more		100	

2. Total qualified investment—add lines 1(a) through (f) ....
3. Tentative investment credit—7% of line 2 (for public utility property, enter 3% of line 2) ....

COMPUTATION OF TAX FOR PURPOSES OF LIMITATION

4. (a) Individuals (enter amount from line 12, page 1, Form 1040) ....
   (b) Estates and trusts (enter amount from line 25 or 26, page 1, Form 1041) ....
   (c) Corporations (enter amount from line 7, Tax Computation Schedule, Form 1120) ....
5. Individuals, estates and trusts:
   Less: (a) Foreign tax credit ....
   (b) Dividend received credit ....
   (c) Partially tax exempt interest credit ....
   (d) Retirement income credit ....
   (e) Total (add lines (a), (b), (c) and (d)) ....
6. Balance (line 4 less line 5(e)) ....

LIMITATION BASED ON AMOUNT OF TAX

(Married persons filing separately, affiliated groups, estates and trusts—see instructions)

7. (a) Enter amount on line 6 or $25,000, whichever is lesser ....
   (b) If line 6 is in excess of $25,000, enter 25% of the excess ....
   (c) Total (add lines (a) and (b)) ....
8. Investment credit (enter amount on line 3 or 7(c), whichever is lesser) ....

SCHEDULE A

If any part of the investment in 1 above was made by a partnership, estate, trust, small business corporation, or lessor complete the following:

Name (Partnership, estate, trust, etc.)	Address	Property		
		New	Used	Life years
		$	$	

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GENERAL INSTRUCTIONS

A. Who Must File.—Any individual, estate, trust, or corporation claiming an investment credit against its tax must attach this form to its income tax return. Partnerships and small business corporations are not reauired to file this form because the credit is claimed by the partner or shareholder. However, partnerships and small business corporations should attach a statement to their returns showing the allocation of investment to the partners or shareholders by amount, type and life of property as shown in item 1 of this form. Estates and trusts which apportion the investment between the estate or trust and the beneficiaries should in addition to filing this form attach a statement showing the allocation of the investment among the beneficiaries.

B. Effective Date.—For taxable years ending after December 31, 1961, a credit is allowed against your tax for investment in certain depreciable property, acquired after December 31, 1961, having an estimated useful life of 4 years or more. The credit is allowed for the first year property is placed in service, even though under the depreciation convention used you may not be able to claim a deduction for depreciation on the property until the following year.

C. Property Defined.—The investment credit is applicable to (a) tangible personal property and (b) real property (except for buildings and their structural components) if used as an integral part of manufacturing, production or extraction, or used as a research or storage facility in connection with these activities.

The investment credit is not applicable to (1) certain property which is used predominantly outside the United States; (2) property used for lodging or in connection with furnishing lodging, except (a) property used in certain commercial facilities located therein (such as a restaurant) or (b) property used by a hotel or motel; (3) property used by a tax-exempt organization (other than in a business to which the unrelated business income tax applies); (4) property used by governmental units; (5) livestock (including racehorses).

D. Election for Leased Property.—A lessor may elect to treat an investment in new property as if made by the lessee instead of the lessor. If the lessor makes this election, then the lessee is treated as if he had acquired the property for the lessor's cost or other basis or the fair market value of the property if it was constructed by the lessor. Where the lessee is allowed the investment credit there is no adjustment of the lessor's basis for depreciation (see K below) but a reduction of the lessee's deduction for rent must be made.

E. Replacement Property.—Where insured property is lost or destroyed as a result of a casualty or is stolen, reinvestment of the insurance proceeds in replacement property may not be eligible for investment credit.

F. Disposition of Property.—Where property is disposed of prior to the life used in computing the investment credit, the tax for the year in which the property is so disposed of must be increased by the difference between the credit taken on such property and the credit which would have been allowed had the actual life been used.

G. Limitations With Respect to Certain Persons.—In the case of (1) mutual savings banks, building and loan associations and cooperative banks, (2) a regulated investment company or a real estate investment trust subject to taxation under Subchapter M, and (3) a cooperative organization described in section 1381(a), the qualified investment and the $25,000 limitation shall equal such person's ratable share of such items.

H. Carryback and Carryover of Unused Credits.—If the amount of the investment credit for any taxable year exceeds the limitation, the excess shall be an investment credit carryback to each of the 3 preceding taxable years and an investment credit carryover to each of the 5 succeeding taxable years and shall be added to the amount allowable as a credit for such years. However, such excess may be a carryback only to a taxable year ending after December 31, 1961.

The amount which may be carried to this year and added to line 8 is limited to the excess of line 7(c) over line 3.

I. Deduction for Certain Unused Investment Credit.—If after applying the carryback and carryover provisions the unused credit has not been completely absorbed, the balance may be allowed as a deduction in the first taxable year following the last taxable year in which it could have been used as a credit except for the limitations.

J. Basis and Cost.—The credit for new property applies to the basis of the property. The credit for used property applies to the cost of the property. The cost (of used property) does not include the basis of any property traded in.

K. Adjustments to Basis of Property.—For purposes of computing depreciation the basis of any property which qualifies for the investment credit shall be reduced by an amount equal to 7 percent (3 percent in the case of a public utility) of the qualified investment.

SPECIFIC INSTRUCTIONS

Line 1. New Property.—Enter the basis of property as described in General Instructions C and J placed in service during the taxable year. In the case of property constructed, reconstructed or erected by you, enter only that portion of the basis which is properly attributable to construction, reconstruction or erection after December 31, 1961.

Used Property.—Enter the cost (subject to dollar limitation below) of used property placed in service during the taxable year.

Dollar Limitation on Used Property.—In general, the amount of used property taken into account may not exceed $50,000. In the case of a husband and wife filing separate returns, and each has used property taken into account on their returns, the amount may not exceed $25,000. In the case of a partnership, the $50,000 limitation shall apply with respect to the partnership and with respect to each partner. In the case of affiliated groups, the $50,000 limitation shall be reduced for each member of the group by apportioning $50,000 among the members of such group in accordance with their respective amounts of used property which may be taken into account.

Estates and Trusts.—In the case of an estate or trust the amount of the investment is apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

Line 7. Limitation Based on Amount of Tax.—In the case of a husband and wife filing separate returns and both have qualified investments, the amount specified on lines 7(a) and (b) shall be $12,500 instead of $25,000. In the case of affiliated groups, the $25,000 specified on lines 7(a) and (b) shall be reduced for each member of the group by apportioning the $25,000 among the members of such group. In the case of an estate or trust the $25,000 limitation specified on lines 7(a) and (b) shall be reduced to an amount which bears the same ratio to $25,000 as the amount of qualified investment allocated to the estate or trust bears to the entire qualified investment.

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