

Computation of Investment Credit

1978

▶ Attach to your tax return.

Name _____

Identifying number as shown on page 1 of your tax return _____

1 Use the format below to list qualified investment in new and used property acquired or constructed and placed in service during the tax year. Also list qualified progress expenditures made during the 1978 tax year and qualified progress expenditures made in 1974, 1975, 1976, and 1977 if you made the proper election prescribed in section 46(d)(6) for those tax years. If progress expenditure property is placed in service during the tax year, do not list qualified progress expenditures for this property. See instruction for line 1.

If you are claiming 100% investment credit on certain ships, check this block . See instruction K for details.

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis (See instruction G)	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New property	(a)	3 or more but less than 5		33 $\frac{1}{3}$	
	(b)	5 or more but less than 7		66 $\frac{2}{3}$	
	(c)	7 or more		100	
Qualified progress expenditures	1974, 1975, 1976 and 1977	(d)	7 or more	20	
	1978	(e)	7 or more	80	
Used property (See instructions for dollar limits)	(f)	3 or more but less than 5		33 $\frac{1}{3}$	
	(g)	5 or more but less than 7		66 $\frac{2}{3}$	
	(h)	7 or more		100	

- 2** Qualified investment—Add lines 1(a) through (h) (see instruction M for special limits)
- 3** 10% of line 2
- 4** 7% (4% for public utility property) of certain property (see instructions M and N)
- 5** Corporations electing the additional investment credit for contributions to Employee Stock Ownership Plans—Attach election statement (see instruction I and instruction for line 5)
 - (a) Additional 1% credit—Enter 1% of line 2
 - (b) Additional credit (not more than .5%)—Enter allowable percentage times adjusted line 2 (attach schedule)
- 6** Carryback and carryover of unused credit(s)—Attach computation (see instruction F)
- 7** Tentative investment credit—Add lines 3 through 6

Limitation

- 8** (a) Individuals—Enter amount from Form 1040, line 37, page 2
- (b) Estates and trusts—Enter amount from Form 1041, line 27 or 28, page 1
- (c) Corporations—Enter amount from Schedule J (Form 1120), line 9, page 3
- 9** (a) Credit for the elderly (individuals only)
- (b) Foreign tax credit
- (c) Tax on lump-sum distributions (see instruction for line 9(c))
- (d) Possession tax credit (corporations only)
- (e) Section 72(m)(5) penalty tax (individuals only)
- 10** Total—Add lines 9(a) through (e)
- 11** Subtract line 10 from line 8
- 12** (a) Enter smaller of line 11 or \$25,000. See instruction M for special limits. (Married persons filing separately, controlled corporate groups, estates, and trusts, see instruction for line 12.)
- (b) If line 11 is more than line 12(a) and your tax year ends in 1978, enter 50% of the excess (if your tax year ends in 1979, enter 60% of the excess). (Public utilities, railroads, and airlines, see instruction J.)
- 13** Total—Add lines 12(a) and (b)
- 14** Enter smaller of line 7 or line 13
- 15** Subtract line 14 from line 11
- 16** Enter energy property credit from line 3 of Schedule B (Form 3468)
- 17** Enter smaller of line 15 or line 16 (if there is no entry on line 16, enter zero)

18 Total Investment Credit—Add lines 14 and 17. Enter here and on Form 1040, line 41; Schedule J (Form 1120), line 10(b), page 3; or the appropriate line on other returns

Schedule A If any part of your investment in line 1 or 4 above was made by a partnership, estate, trust, small business corporation, or lessor, complete the following statement and identify property qualifying for the 7% or 10% investment credit.

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

If property is disposed of prior to the life years used in figuring the investment credit, see instruction E.