

Computation of Investment Credit

1981
27

▶ Attach to your tax return.
 ▶ Use separate Schedule B (Form 3468) to figure your tentative business energy investment credit.

Name _____

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

Part I Elections (Check the box(es) below that apply to you (see Instruction D).)

- A** The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1)
 - B** I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6)
 - C** I elect to increase my qualified investment by all qualified progress expenditures made this tax year and all later years
- Enter total qualified progress expenditures included in column (4), Part II ▶ _____
- D** I claim full credit on certain ships under section 46(g)(3). (See Instruction B for details.)

Part II Qualified Investment

Figure your qualified investment in new or used investment credit property acquired or constructed and placed in service during the tax year. The qualified investment for qualified progress expenditures and qualified rehabilitation expenditures is allowed in the tax year the expenditure is incurred or in the case of self-constructed property the year the expenditure is chargeable to a capital account for the property.

For certain taxpayers, the basis or cost of property placed in service after February 18, 1981, is limited to the amount the taxpayer is at risk for the property at year end. See Instruction E.

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

1 Recovery Property	Line	(1) Recovery Period	(2) Unadjusted Basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New	(a)	3-Year		60	
	(b)	Other		100	
Used	(c)	3-Year		60	
	(d)	Other		100	

2 Total—Add lines 1(a) through 1(d) **2**

3 Nonrecovery Property	Line	(1) Life years	(2) Basis or cost	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New	(a)	3 or more but less than 5		33 1/3	
	(b)	5 or more but less than 7		66 2/3	
	(c)	7 or more		100	
Used	(d)	3 or more but less than 5		33 1/3	
	(e)	5 or more but less than 7		66 2/3	
	(f)	7 or more		100	

- 4 Total**—Add lines 3(a) through 3(f) **4**
- 5 New commuter highway vehicle**—Enter total qualified investment. (See Instruction D) **5**
- 6 Used commuter highway vehicle**—Enter total qualified investment. (See Instruction D) **6**
- 7 Qualified rehabilitation expenditures incurred before January 1, 1982, for:** (see specific instructions)
 - (a) Improvements with 5 or more but less than 7 years—Enter 66 2/3% of expenditures **7(a)**
 - (b) Improvements with 7 or more life years—Enter 100% of expenditures **7(b)**
- 8 Total qualified investment in 10% property**—Add lines 2, 4, 5, 6, 7(a) and 7(b). (See instructions for special limits) **8**
- 9 Enter 100% of qualified rehabilitation expenditures incurred after December 31, 1981, for:**
 - (a) 30-year old buildings **9a**
 - (b) 40-year old buildings **9b**
 - (c) Certified historic structures (Enter the Dept. of Interior assigned project number) **9c**
- 10 Total qualified investment**—Add lines 8, 9(a), 9(b), and 9(c) **10**

Part III Tentative Regular Investment Credit

- 11 10% of line 8** **11**
- 12 15% of line 9(a)** **12**
- 13 20% of line 9(b)** **13**
- 14 25% of line 9(c)** **14**
- 15 Corporations electing the basic or basic and matching employee plan percentage for contributions to tax credit employee stock ownership plans**—Check box A above (see Instruction D)
 - (a) Basic 1% credit—Enter 1% of line 10 **15a**
 - (b) Matching credit (not more than 0.5%)—Enter allowable percentage times adjusted line 10 (attach schedule) **15b**
- 16 Credit from Cooperative**—Enter regular investment credit from cooperatives **16**
- 17 Current year regular investment credit**—Add lines 11 through 16 **17**
- 18 Carryover of unused credits** **18**
- 19 Carryback of unused credits** **19**
- 20 Tentative regular investment credit**—Add lines 17, 18, and 19, enter here and in Part IV, line 21 **20**

Part IV Tax Liability Limitations

21	Tentative credit from Part III, line 20		21
22	(a) Individuals—Enter amount from Form 1040, line 37, page 2	}	22
	(b) Estates and trusts—Enter amount from Form 1041, line 26, page 1		
	(c) Corporations—Enter amount from Schedule J (Form 1120), line 3, page 3		
	(d) Others—Enter tax before credits from your return		
23	(a) Credit for the elderly (individuals only)	23(a)	23
	(b) Foreign tax credit	23(b)	
	(c) Tax on lump-sum distribution from Form 4972 or Form 5544	23(c)	
	(d) Possessions corporation tax credit (corporations only)	23(d)	
	(e) Section 72(m)(5) penalty tax (individuals only)	23(e)	
24	Total—Add lines 23(a) through 23(e)		24
25	Subtract line 24 from line 22		25
26	(a) Enter smaller of line 25 or \$25,000. See instruction for line 26		26(a)
	(b) If line 25 is more than line 26(a), and your tax year ends in 1981, enter 80% of the excess (if your tax year ends in 1982, enter 90% of the excess)		26(b)
27	Regular investment credit limitation—Add lines 26(a) and 26(b)		27
28	Allowed regular investment credit—Enter the smaller of line 21 or line 27		28
29	Business energy investment credit limitation—Subtract line 28 from line 25		29
30	Business energy investment credit—Enter amount from line 14 of Schedule B (Form 3468)		30
31	Allowed business energy investment credit—Enter smaller of line 29 or line 30		31
32	Total allowed regular and business energy investment credit—Add lines 28 and 31. Enter here and on Form 1040, line 41; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns		32

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