

Computation of Investment Credit

▶ Attach to your tax return.
 ▶ Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return _____ Identifying number _____

- PART I.—Elections**
- 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 and all later tax 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

1 Recovery Property		Line	(1) Class of Property	(2) Unadjusted Basis	(3) Applicable Percentage	(4) Qualified Investment (Column 2 x column 3)
Regular Percentage	New Property	(a)	3-year		60	
	Used Property	(b)	Other		100	
	New Property	(c)	3-year		60	
	Used Property	(d)	Other		100	
§48(q) Election to Reduce Credit (instead of adjusting basis) FY 1982-83 filers only (see instr.)	New Property	(e)	3-year		40	
	Used Property	(f)	Other		80	
	New Property	(g)	3-year		40	
	Used Property	(h)	Other		80	
2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)					2	
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(2))					3	
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(2))					4	
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)					5	
6 Qualified rehabilitation expenditures—Enter total qualified investment for:						
a 30-year-old buildings					6a	
b 40-year-old buildings					6b	
c Certified historic structures (Enter the Dept. of Interior assigned project number)					6c	
7 Corporations checking election box A above—add lines 5, 6a, 6b, and 6c					7	

PART III.—Tentative Regular Investment Credit

8 10% of line 5	8	
9 15% of line 6a	9	
10 20% of line 6b	10	
11 25% of line 6c	11	
12 Corporations checking election box A (See Instruction D(1))—		
a Basic 1% credit—Enter 1% of line 7 (1982-83 fiscal-year filers, see instructions for line 12)	12a	
b Matching credit (not more than 0.5%)—Allowable percentage times adjusted line 7 (attach schedule)	12b	
13 Credit from cooperative—Enter regular investment credit from cooperatives	13	
14 Current year regular investment credit—Add lines 8 through 13	14	
15 Carryover of unused credits	15	
16 Carryback of unused credits	16	
17 Tentative regular investment credit—Add lines 14, 15, and 16	17	

PART IV.—Tax Liability Limitations

18 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3 d Other organizations—Enter tax before credits from return	18	
19 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2 b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f) d Other organizations—Enter any foreign or possessions tax credit	19	
20 Income tax liability as adjusted (subtract line 19 from line 18)	20	
21 a Enter smaller of line 20 or \$25,000. See instruction for line 21	21a	
b If line 20 is more than \$25,000—Enter 90% of the excess	21b	
22 Regular investment credit limitation—Add lines 21a and 21b	22	
23 Allowed regular investment credit—Enter the smaller of line 17 or line 22	23	
24 Business energy investment credit limitation—Subtract line 23 from line 20	24	
25 Business energy investment credit—From line 14 of Schedule B (Form 3468)	25	
26 Allowed business energy investment credit—Enter smaller of line 24 or line 25	26	
27 Total allowed regular and business energy investment credit—Add lines 23 and 26. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns	27	

Schedule B Business Energy Investment Credit

1 Enter on lines 1(a) through 1(e) your qualified investment in business energy property that is the kind listed in the instructions for line 1, column (3).

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33⅓	
	(d)	5 or more but less than 7			66⅔	
	(e)	7 or more			100	

2 Total 10% energy investment property—Add lines 1(a) through 1(e), column (6) . . . | **2**

3 Enter on lines 3(a) through 3(e) the basis in qualified hydroelectric generating property. Enter nameplate capacity of the property (see instructions for line 3) ▶

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33⅓	
	(d)	5 or more but less than 7			66⅔	
	(e)	7 or more			100	

4 Total 11% energy investment property—Add lines 3(a) through 3(e), column (6) . . . | **4**

5 Enter on lines 5(a) through 5(e) the basis in energy property that is solar equipment, wind equipment, ocean thermal equipment, or geothermal equipment. (See instructions for line 5, column (3).)

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 × column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33⅓	
	(d)	5 or more but less than 7			66⅔	
	(e)	7 or more			100	

6 Total 15% energy investment property—Add lines 5(a) through 5(e), column (6) . . . | **6**

7 Enter 10% of line 2 | **7**

8 Enter 11% of line 4 | **8**

9 Enter 15% of line 6 | **9**

10 Cooperative credit—Enter business energy investment credit from cooperatives | **10**

11 Current year business energy investment credit—Add lines 7 through 10 | **11**

12 Carryover of unused credit(s) | **12**

13 Carryback of unused credit(s) | **13**

14 Tentative business energy investment credit—Add lines 11 through 13. Enter here and on line 25 of Form 3468 | **14**

Instructions for Schedule B (Form 3468)

Energy property must meet the same requirements as regular investment credit property, except that the provisions of sections 48(a)(1) and 48(a)(3) do not apply. See Instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(a)(2)(C) and 48(l)(1) through (17) for details.

See section 48(l)(17) for special rules on public utility property, and section 48(l)(11) (as amended by the Crude Oil Windfall Profit Tax Act of 1980) for special rules on property financed by Industrial Development Bonds.

Specific Instructions

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property.

Lines 1, 3, and 5—Type of Property.—For definition of recovery and nonrecovery

property, see the separate Instructions for Form 3468.

Line 1—Column (3).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. If you enter more than one kind of property on a line, enter the code letter for each kind of property in column (3) and the code letter and dollar amount of each kind of property in the right hand margin.

The code letters are:

- a. Alternative energy property, including biomass property
- b. Specially defined energy property that reduces the energy consumed in an existing process, installed in connection with an existing industrial or commercial facility (see regulations section 1.48-9(f)).
- c. Recycling equipment
- d. Shale oil equipment
- e. Equipment to produce natural gas from geopressured brine
- f. Cogeneration equipment installed in an existing facility, but only if the cogeneration energy capacity of the facility is expanded. See section 48(l)(14).

g. Qualified intercity buses (see section 48(l)(16)(C) for the limitation on qualified investment for intercity buses based on the increase in operating seating capacity).

Line 3.—Figure your qualified investment in hydroelectric generating property. If the installed capacity is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(l)(13)(C).

In the space provided in line 3, enter the megawatts capacity of the generator as shown on the nameplate of the generator. **Line 5—Column (3).**—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. Be sure to put the code or codes on the line for the correct recovery period or life years as explained in the instruction for line 1, column (3).

- h. Solar equipment (but not passive solar equipment)
 - i. Wind equipment
 - j. Ocean thermal equipment
 - k. Geothermal equipment
- See sections 48(l)(4) and 48(l)(3)(A)(viii) and (ix) for definitions and special rules that apply to these kinds of property.