

Department of the Treasury Internal Revenue Service (0)

Attach to your tax return.

Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return

Identifying number

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

- A I elect to increase my qualified investment to 100% for certain commuter highway vehicles placed in service before January 1, 1986 (section 46(c)(6))
B I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years
C I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.)

Part II Qualified Investment (See instructions for rules on automobiles and other property with any personal use)

Table with 6 columns: 1 Recovery Property, Line, (1) Class of Property, (2) Cost or Other Basis, (3) Applicable Percentage, (4) Qualified Investment (Column 2 x column 3). Rows include Regular Percentage and Section 48(q) Election to Reduce Credit.

- 2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(1))
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(1))
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)
6 Qualified rehabilitation expenditures—Enter total qualified investment for:
a 30-year-old buildings
b 40-year-old buildings
c Certified historic structures (You must attach NPS certification—see instructions)

Part III Tentative Regular Investment Credit

- 7 10% of line 5
8 15% of line 6a
9 20% of line 6b
10 25% of line 6c
11 Credit from cooperatives—Enter regular investment credit from cooperatives
12 Regular investment credit—Add lines 7 through 11
13 Business energy investment credit—From line 11 of Schedule B (see back of this form)
14 Current year investment credit—Add lines 12 and 13

Note: If you have a 1985 jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1985 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to Form 3800, General Business Credit, to claim your 1985 investment credit.

Part IV Tax Liability Limitations

- 15 a Individuals—From Form 1040, enter amount from line 46
b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1).
c Other filers—Enter income tax before credits from return.
16 a Individuals—From Form 1040, enter credit from line 47, plus any orphan drug, nonconventional source fuel, and research credits included on line 49
b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(e) (Form 1120-A filers, enter zero)
c Other filers—See instructions for line 16c
17 Income tax liability as adjusted (subtract line 16 from line 15).
18 a Enter smaller of line 17 or \$25,000. (See instructions for line 18)
b If line 17 is more than \$25,000—Enter 85% of the excess.
19 Investment credit limitation—Add lines 18a and 18b
20 Total allowed credit—Enter the smaller of line 14 or line 19. This is your General Business Credit for 1985. Enter here and on Form 1040, line 48; Form 1120, Schedule J, line 4(f); Form 1120-A, Part I, line 2; or the proper line of other returns

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 (2)						
Type of Property	Line	(1) Class of Property or Life Years	(2) Code	(3) Basis	(4) Applicable Percentage	(5) Qualified Investment (Column 3 x column 4)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	
2 Total 10% energy investment property—Add lines 1(a) through 1(e), column (5)						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.) ▶						
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	
4 Total 11% energy investment property—Add lines 3(a) through 3(e), column (5)						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 (2).)						
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	
6 Total 15% energy investment property—Add lines 5(a) through 5(e), column (5)						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 Tentative business energy investment credit—Add lines 7 through 10. Enter here and on line 13 of page 1						11

Fiscal Year Filers

The business energy investment credits shown on this page may be claimed only for energy property placed in service by December 31, 1985 (except for certain hydroelectric generating property, which may be placed in service by December 31, 1988).

At the time we printed this form it was uncertain whether Congress would extend this deadline. We will use news media and other means available to provide you with information and instructions on any change.

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 the separate Instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(b)(2) 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 (2).—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 (2) and the code letter and dollar amount of each kind of property in the right hand margin.

The code letters are:

- a. Biomass property
- b. 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 (2).—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 instructions for line 1, column (2).

- c. Solar equipment (but not passive solar equipment)
 - d. Wind equipment
 - e. Ocean thermal equipment
 - f. 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.