

Department of the Treasury
Internal Revenue Service

▶ Attach to your return.

▶ For Paperwork Reduction Act Notice, see instructions.

Name(s) as shown on return

Identifying number

Type of Alcohol Fuel		(a) Number of Gallons Sold or Used	(b) * Rate	(c) Column (a) x Column (b)
1	Qualified ethanol fuel production (in gallons)	1	.10	
2	Straight alcohol and alcohol mixtures:			
a	190 proof or greater (in gallons)	2a	.54	
b	Less than 190 proof but at least 150 proof (in gallons)	2b	.40	
c	Add lines 2a and 2b in both columns	2c		
3	Other fuels blended with the alcohol above	3		
4	Total gallons of fuel. Add lines 2c and 3 (column (a))	4		
5	Total gallons containing less than 10% of 190-proof alcohol or that are exempt from excise taxes	5		
6	Subtract line 5 from line 4	6		
7	Break down line 6 into the number of gallons of:			
Noncommercial aviation fuel—				
a	Alcohol or alcohol blended with aviation fuels	7a	.1293	
b	Alcohol blended with gasoline	7b	.0444	
All other fuel on line 6 that received exemption or reduced rate—				
c	Less than 85% alcohol blended with fuel	7c	.054	
d	85% or more alcohol: (i) Methanol/ethanol produced from other than petroleum or natural gas (see instructions)	7d(i)	.0545	
	(ii) Alcohol produced from natural gas	7d(ii)	.07	
8	Add lines 7a through 7d, column (c)		8	
9	Credit less excise tax benefit. Subtract line 8 from line 2c. Include this amount in your income for 1991		9	
10	Flow-through alcohol fuel credit(s) from a partnership, S corporation, estate or trust (see instructions)		10	
11	Current year credit for alcohol used as fuel. Add lines 1, 9, and 10		11	
*Only the rate for ethanol is shown. See instructions for lines 2 and 7 for rates for alcohol other than ethanol.				
See Who Must File Form 3800, General Business Credit , to see if you complete this form or file Form 3800.				
12a	Individuals. Enter amount from Form 1040, line 40		12	
b	Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			
c	Other filers. Enter regular tax before credits from your return			
13	Credits that reduce regular tax before the credit for alcohol used as fuel:			
a	Credit for child and dependent care expenses (Form 2441)	13a		
b	Credit for the elderly or the disabled (Schedule R, (Form 1040))	13b		
c	Foreign tax credit (Form 1116 or Form 1118)	13c		
d	Possessions tax credit (Form 5735)	13d		
e	Mortgage interest credit (Form 8396)	13e		
f	Credit for fuel from a nonconventional source	13f		
g	Orphan drug credit (Form 6765).	13g		
h	Add lines 13a through 13g		13h	
14	Net regular tax. Subtract line 13h from line 12		14	
15	Tentative minimum tax (see instructions):			
a	Individuals. Enter amount from Form 6251, line 20	15		
b	Corporations. Enter amount from Form 4626, line 14			
c	Estates and trusts. Enter amount from Form 8656, line 37			
16	Net income tax:			
a	Individuals. Add line 14 above and line 22 of Form 6251	16		
b	Corporations. Add line 14 above and line 16 of Form 4626			
c	Other filers. See instructions			
17	If line 14 is more than \$25,000, enter 25% (.25) of excess (see instructions).		17	
18	Subtract line 15 or line 17, whichever is greater, from line 16. Enter the result. If less than zero, enter -0-		18	
19	Credit for alcohol used as fuel allowed for current year. Enter the smaller of line 11 or line 18. This is your General Business Credit for 1991. Enter here and on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or the appropriate line of other income tax returns.		19	

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	8 hr., 51 min.
Learning about the law or the form	46 min.
Preparing the form	1 hr., 52 min.
Copying, assembling, and sending the form to the IRS	16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Items You Should Note

The Revenue Reconciliation Act of 1990 revised the excise tax rates, exemption amounts, and the credit rates for certain fuels effective January 1, 1991.

The Act added a new credit of 10 cents a gallon for eligible small ethanol producers. See the instructions for line 1.

Because of limited space on the form, we have shown only the rate for alcohol from ethanol in column (b) for lines 2 and 7. We have included the rates for alcohol other than from ethanol in the **Specific Instructions** for each line. If you have a credit for alcohol other than from ethanol, enter in column (b) the rate from the instructions for the applicable line.

General Instructions

Purpose of Form

Use Form 6478 to figure your credit for alcohol used as fuel. The credit consists of the: **(1)** alcohol mixture credit; **(2)** alcohol credit; and **(3)** small ethanol producer credit. If you have only the small ethanol producer credit, do not complete lines 2 through 9.

You may claim or elect not to claim the alcohol fuel credit at any time within the 3 years from the due date of your return on either an original or an amended return (determined without regard to extensions).

Who Must File Form 3800, General Business Credit

The general business credit consists of the investment credit (Form 3468), jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), research credit

(Form 6765), low-income housing credit (Form 8586), enhanced oil recovery credit (Form 8830), and disabled access credit (Form 8826). If you have more than one of these credits for 1991, a carryback or carryforward of any of these credits, or a general business credit from a passive activity, do not complete lines 12 through 19. Instead, attach the appropriate credit forms and summarize them on Form 3800, which is also used to figure the tax liability limitation.

If you have only a 1991 credit for alcohol used as fuel, and the credit is not from a passive activity, complete this form. You do not have to file Form 3800 for this year.

Definitions and Special Rules

Alcohol.—Alcohol, for credit purposes other than the small ethanol producer credit, includes ethanol and methanol but does not include:

1. Alcohol produced from petroleum, natural gas, or coal (including peat), or
2. Alcohol of less than 150 proof. In figuring the proof of any alcohol, disregard any denaturants (additives that make the alcohol unfit for human consumption). The volume of alcohol includes any denaturant up to 5% of the volume of the alcohol and denaturant combined.

Alcohol mixture.—The alcohol must be used to make a qualified mixture. A qualified mixture combines alcohol with gasoline, diesel, or special motor fuel. The producer of the mixture either:

1. Uses it as fuel, or
2. Sells it as fuel to another person.

The credit is available only to the producer who blends the mixture. The producer must use or sell the mixture in a trade or business and the credit is available only for the year the mixture is sold or used. The credit is not allowed for casual off-farm production of a qualified mixture.

Straight alcohol.—The alcohol must not be a mixture with gasoline, diesel, or special motor fuel (other than as a denaturant). The credit is for alcohol that during the tax year is:

1. Used by the taxpayer as a fuel in a trade or business, or
2. Is sold by the taxpayer at retail to another person and put in the fuel tank of that person's vehicle.

Qualified ethanol fuel production.—This is ethanol produced by an eligible small ethanol producer (defined below) and during the tax year:

1. Is sold by the producer to another person—
 - a. For use by the buyer in the buyer's trade or business to produce a qualified mixture (other than casual off-farm production),
 - b. For use by the buyer as a fuel in a trade or business, or

c. Who sells the ethanol at retail to another person and puts the ethanol in the retail buyer's fuel tank; or

2. Is used or sold by the producer for any purpose described in 1 above.

Eligible small ethanol producer.—This is a person who, at all times during the tax year, has a productive capacity for alcohol of 30 million gallons or less. This includes alcohol made from petroleum, natural gas, coal, peat, and alcohol with proof of less than 150.

Diesel fuel.—Diesel fuel is any liquid other than gasoline that can be used as a fuel in a diesel-powered highway vehicle.

Special motor fuel.—This is any liquid other than gasoline that is suitable for use or is used in a motor vehicle or motor boat.

Noncommercial aviation.—This is the use of an aircraft other than in a business of transporting persons or property for pay.

Recapture of credit if not used as fuel.—You must pay the tax on each gallon of the alcohol or the alcohol in the mixture at the applicable rate that you used to figure the credit if you claim any alcohol fuel credit and later you:

1. Separate the alcohol from the mixture.
2. Use the mixture other than as a fuel,
3. Mix straight alcohol on which the credit was allowed for the retail sale,
4. Use the straight alcohol other than as a fuel, or
5. Do not use the fuel for the purposes described under **Qualified ethanol fuel production**.

Report the tax on **Form 720**, Quarterly Federal Excise Tax Return.

Specific Instructions

Use lines 1 through 9 to figure any alcohol fuel credit from your own trade or business.

Note: We have shown in column (b) the rate for ethanol only. If you have a credit for alcohol other than from ethanol, enter in column (b) the rate shown in the instructions for lines 2a, 2b, and 7a through 7d(ii).

Skip lines 1 through 9 if you are claiming only a credit that was allocated to you from a flow-through entity (i.e., S corporation, partnership, estate, or trust).

S Corporations, Partnerships, Estates, and Trusts

Figure the total credit on lines 1 through 11. Then allocate the line 11 credit to each shareholder, partner, and beneficiary in the same way that income and loss are divided.

If the line 11 credit includes any small ethanol producer credit (line 1), you must separately state to each shareholder,

partner, beneficiary, etc., the number of gallons on which the credit was figured, and the productive capacity for alcohol that you, the pass-through entity, have. State the productive capacity in terms of gallons.

Line 1—Qualified ethanol fuel production.—Enter the number of gallons of ethanol that meet the conditions listed in **Qualified ethanol fuel production** under **Definitions and Special Rules**. Do not enter more than 15 million gallons. Multiply by the rate of 10 cents per gallon. If you have only the small ethanol producer credit, do not complete lines 2 through 9.

Line 2—Straight alcohol and alcohol mixtures.—Enter on the appropriate line the number of gallons sold or used.

Line 2a—190 proof or greater.—Enter the number of gallons of 190 proof or greater alcohol and multiply by the rate.

For alcohol other than from ethanol, the rate is 60 cents per gallon.

Line 2b—Less than 190 proof but at least 150 proof.—Enter on line 2b the number of gallons of alcohol that is less than 190 proof but more than 150 proof and multiply by the rate.

For alcohol other than from ethanol, the rate is 45 cents per gallon.

Line 3—Other fuels blended with the alcohol.—Enter the number of gallons of other fuels that you blended with the alcohol shown on lines 2a and 2b. Other fuels include gasoline, diesel, and special motor fuels.

Line 5.—Enter the number of gallons included on line 4 that contain less than 10% of 190-proof alcohol or are exempt from excise taxes. The fuel can be exempt because of specific exemption, credit, or refund provisions other than the alcohol fuel credit. Examples of fuels exempt from excise tax include fuel that is:

- Used on a farm for farming purposes.
- Supplied to military ships or aircraft or certain commercial ships or aircraft.
- Used in off-highway business use.
- Used as fuel by a state, any political subdivision of a state, or the District of Columbia.
- Used as fuel by a nonprofit educational organization.
- Used in an intercity, local, or school bus.
- Used for certain helicopter uses.

Line 7.—If you sold or used alcohol or an alcohol mixture as fuel, you may have been entitled to an exemption from excise tax or a reduced rate of excise

tax. The alcohol fuel credit on lines 2a and 2b must be reduced to take into account any benefit provided by that exemption or reduced rate.

Lines 7a and 7b—Noncommercial aviation fuel.—Enter on line 7a the number of gallons of aviation fuel that is alcohol or alcohol blended with aviation fuels other than gasoline.

The benefit for alcohol other than from ethanol or alcohol other than from ethanol blended with aviation fuels (other than gasoline) is 13.61 cents per gallon.

Enter on line 7b the number of gallons of aviation fuel that is alcohol blended with gasoline.

The benefit for alcohol other than from ethanol is 5.11 cents per gallon.

Lines 7c and 7d—All other fuels.—This includes all other uses that received an excise tax benefit because the fuels contained alcohol, e.g., gasoline bought at a reduced rate to produce gasohol. Include only fuel mixtures that received an excise tax benefit because the fuel contained alcohol.

Line 7c—Mixture of less than 85% alcohol.—Enter the number of gallons of fuel that is a mixture containing less than 85% alcohol.

The benefit for alcohol other than from ethanol is 6 cents per gallon.

Line 7d—Mixture of 85% or more alcohol.—Enter the number of gallons of fuel that contain 85% or more alcohol.

In line 7d(i), enter the number of gallons of fuel containing alcohol produced from other than petroleum or natural gas.

For alcohol other than from ethanol, the benefit is 6.05 cents per gallon.

In line 7d(ii), enter the number of gallons of fuel containing 85% or more alcohol produced from natural gas. The benefit rate is 7 cents per gallon for ethanol or alcohol other than from ethanol.

Line 9—Credit less excise tax benefit.—Include this amount in income, under "Other income" on the appropriate line of your tax return, even if you cannot use all the credit because of limitations based on the amount of your tax.

Line 10—Flow-through credit.—Enter the amount of credit that was allocated to you as a shareholder, partner, or beneficiary.

If your credit from a flow-through entity includes the small ethanol producer credit, the flow-through entity must tell you the amount of the small

producer credit included in the flow-through credit, the number of gallons for which the entity claimed the small ethanol producer credit, and the productive capacity for alcohol. You as a shareholder, partner, beneficiary, etc., are subject to the 15 million gallon limitation for line 1 and the 30 million gallon productive capacity limitation for an eligible small ethanol producer. If you receive a small producer credit from more than one entity, your credit may be limited.

Line 11—Current year alcohol fuel credit.—If you have more than one of the credits listed under **Who Must File Form 3800, General Business Credit**, or an alcohol fuel credit from a passive activity, stop here and go to Form 3800.

For an estate or trust, the credit on line 11 is allocated among the beneficiaries in the same manner as the income was allocated. In the margin to the right of line 11, the fiduciary of the estate or trust identifies its share and the beneficiaries' shares of the total credit. Complete lines 12 through 19, as applicable, to figure the credit to take on Form 1041. Attach a schedule to Form 6478 showing how the total credit was divided.

Line 15—Tentative minimum tax.—Complete the appropriate alternative minimum tax form through the tentative minimum tax line. Transfer the result here.

Line 16c—Other filers.—Enter the sum of line 14 and your alternative minimum tax from whichever alternative minimum tax form you file.

Line 17.—See section 38(c)(2) for special rules for married couples filing separate returns, for controlled corporate groups, and for estates and trusts.

Line 19—Credit for alcohol used as fuel for current year.—If the alcohol fuel credit, Form 6478, is not listed separately on your 1991 return, include the credit on the "other credits" or "total credits" line. Write "ALCOHOL FUEL CREDIT" and the amount on the dotted line to the left of the total amount.

Note: *If you cannot use part of the credit because of the tax liability limitations, you may carry it back 3 years, then forward for 15 years.*

See section 383 for the limitation on the amount of any excess general business credit of a loss corporation for any tax year ending after a post-1986 ownership change that may be used in a post-change year.