

Instructions

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says that we must tell you why we are collecting this information, how it is to be used, and whether your response is voluntary, required to obtain a benefit, or mandatory. We ask for the information to carry out the Internal Revenue laws of the United States. The information is used to ensure that you are complying with these laws and so that we can figure and collect the right amount of tax. Your response is mandatory under sections 6001 and 6011 of the Internal Revenue Code.

Purpose of Form

Effective for tax years beginning on or after January 1, 1981, section 6050D of the Internal Revenue Code requires the reporting of all payments of grants or subsidized energy financing made after December 31, 1980, under programs a principal purpose of which is to conserve or produce energy.

Form 6497 lists the information to be furnished if the grant or financing is not taxable to the recipient. Only one program should be reported on each form. This form should also be used to report funds received from the proceeds of tax-exempt industrial development bonds (IDB's) that have been used to finance energy conservation or production property.

Grants are always taxable to recipients unless specifically exempted by the Federal statute authorizing the grants. Taxable grants or financing should be reported on Form 1099. See the Instructions for Form 1096 for more information.

Who Must File

Every person who administers a government program for a Federal, State, or local governmental entity or agent thereof, that provides grants or subsidized financing under programs a principal purpose of which is energy production or conservation must file Form 6497 with IRS if the grant or financing is not taxable to the recipient. If a Federal agency is providing the funds to a State agency, and the State turns the funds over to a bank or similar disbursing agent to act as its agent in disbursing the money for the above purposes, only the bank, or disbursing agent, must file Form 6497 to show the actual recipient information.

When to File

File Form 6497 for the calendar year by the last day of February following the year of the payment.

Where to File

If your legal residence, principal place of business, office, or agency is located in	Use the following Internal Revenue Service Center address
New Jersey, New York City and Counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
District of Columbia, Delaware, Maryland, Pennsylvania	Philadelphia, PA 19255
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501

If you have no legal residence, principal place of business or principal office or agency in any Internal Revenue district, file your return with the Internal Revenue Service Center, Philadelphia, PA 19255.

Line-by-Line Instructions

Enter on:

Line 1—The name of the payer.—Ordinarily this will be the name of the Federal, State, or local governmental entity that makes the grants or provides the subsidized financing. If an entity (such as a bank) is administering a program as the designated agent of one of the above governmental entities, enter the name of the agent and be sure to fill in line 4.

Lines 2a and 2b—The address of the payer.—Enter the address where IRS inquiries (if any) concerning Form 6497 can be directed.

Line 3—The taxpayer identifying number of the payer.—This is your employer identification number (00-0000000). Do not use the social security number of an officer or employee.

Line 4—The name of the governmental entity making the grant or financing through an agent.—Use this space only when line 1 shows the name of an agent administering a program for a Federal, State, or local governmental entity or agency.

Line 5—Enter the program name

or number that authorizes the payment.

Line 6—Make an entry in columns 6(a) through 6(e) for each recipient of a grant or subsidized energy financing. If you need more space, attach additional Forms 6497.

Column 6(a)—The taxpayer identifying number of the recipient.—For individuals this is the SSN; for all others it is the employer identifying number.

Column 6(b)—Check the appropriate column to show if the identifying number is an SSN or EIN.

Column 6(c)—The name and address of the recipient.—If the payment is not to an individual, show the name and address of the entity applying for the grant or subsidized energy financing. Do not show the name of an officer, employee, etc.

Column 6(d)—Enter the amount of the grant.

Column 6(e)—Enter the amount of the subsidized financing.

Definitions

Grant.—A payment given outright for property designed to conserve or produce energy with no requirement to repay the money.

Subsidized energy financing.—Funds received directly or indirectly from a Federal, State, or local governmental unit under a program having as a principal purpose providing subsidized financing for projects designed to conserve or produce energy. Ordinarily, loan guarantees, price guarantees, purchase commitments, and funds derived solely from rate-payers for the sale of electricity by a utility are not subject to this reporting requirement. However, if funds are advanced under a guarantee or commitment (before the project or program becomes operational), then the advance of funds is subject to this reporting requirement.

Payer.—For purposes of this return, the payer is any person who administers a Federal, State, or local government program that provides grants or subsidized financing under programs the principal purpose of which is the production or conservation of energy. It includes agents (such as a bank) that administer a program for a Federal, State, or local governmental entity and actually make the payments to the recipient.

Recipient.—The person, or business entity that received the grant or financing.