

Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice

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

Changes You Should Note

Reporting on Form 6497 is now required only for nontaxable energy grants or subsidized energy financing made with respect to section 38 property (as defined in section 48 and the regulations under section 48) or a dwelling unit located in the United States.

You may have to send this Form 6497 to a different Service Center than the one you used previously. See *Where to File*.

Purpose of Form

Use Form 6497 to report nontaxable energy grants or subsidized energy financing made in calendar years beginning after December 31, 1983, under programs a principal purpose of which is to conserve or produce energy. Where payers and administrators have adequate records for 1981, 1982, or 1983, the Internal Revenue Service requests that they file Form 6497 for those years.

Form 6497 lists the information to be furnished about the nontaxable energy grants or subsidized energy financing, and about the recipients. 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 (IDBs) 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. The originator of the grant or subsidy program should advise all disbursing agents whether the program is taxable or nontaxable. Taxable grants are reported on **Form 1099-G**, Statement for Recipients of Certain Government Payments. See the **Instructions for Form 1099 Series, 1098, 5498, and 1096** for more information.

Who Must File

Every person who administers a government program for a Federal, state, or local governmental entity or agent of that entity, that provides nontaxable energy grants or subsidized energy financing with respect to section 38 property or dwelling units located in the United States to recipients under programs a principal purpose of which is energy production or conservation must file Form 6497. If a Federal agency is providing the funds to a state agency, and the state turns the funds over to a bank or similar disburser to act as its agent in disbursing the money for the above purposes, only the bank, or disburser, 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

Note: If you are filing Form 6497 for any calendar year before 1985, contact your local IRS office for information on the proper Service Center filing location.

If your legal residence, principal place of business, office, or agency is located in	Use the following Internal Revenue Service Center address
▼	▼
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255
Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Men- docino, Modoc, Napa, Nevada, Placer, Pulmas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other coun- ties), Hawaii	Fresno, CA 93888
Arkansas, Indiana, North Carolina, Tennessee, 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.

Definitions

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

Subsidized energy financing.—Financing 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 financing is advanced under a guarantee or commitment (before the project or program becomes operational), then the advance of financing 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 nontaxable grants or subsidized financing under programs a principal purpose of which is the production or conservation of energy. It includes agents (such as a bank) that administer Federal, state, or local government programs and actually make the payments to the recipient.

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

Line-by-Line Instructions

Line 1—Payer's name.—Ordinarily, this will be the name of the Federal, state, or local governmental entity that makes the nontaxable energy grants or provides the subsidized energy 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—Payer's address.—Enter the address where IRS inquiries (if any) concerning Form 6497 can be directed.

Line 3—Payer's employer identification number.—Use the employer identification number for the payer shown on line 1. Do not use the social security number of an officer or employee.

Line 4—Payer is agent for.—If line 1 shows the name of an agent, use line 4 to show the Federal, state, or local governmental entity for which the agent is administering the program.

Line 5—Program name or number.—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 nontaxable energy grant or subsidized energy financing. If you need more space, attach additional Forms 6497.

Column 6(a)—Recipient's name, address, and ZIP code.—If the payment is not to an individual, show the name and address of the entity that applied for the nontaxable energy grant or subsidized energy financing. Do not show the name of an officer, employee, etc.

Column 6(b)—Recipient's social security number.—Complete this column for recipients who are individuals.

Column 6(c)—Recipient's employer identification number.—Complete this column for all recipients who are not individuals.

Column 6(d)—Total amount of grant.—Enter the total amount of nontaxable energy grants provided to the recipient during the calendar year under the program identified on line 5.

Column 6(e)—Total amount of financing.—Enter the total amount of subsidized energy financing provided to the recipient during the calendar year under the program identified on line 5. The amount of subsidized energy financing may be different from the actual amount of money expended. For example, if a governmental agency expended \$1,000 to permit a \$5,000 loan to be furnished with an interest rate lower than it would have been otherwise, the amount of subsidized energy financing is \$5,000.