

Learning about the law or the form	18 min.
Preparing, copying, and sending the form to IRS	21 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 **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0232), Washington, DC 20503.

Purpose of Form

Use Form 6497 to report nontaxable energy grants or subsidized energy financing made after 1983 under programs a principal purpose of which is to conserve or produce energy. This reporting is required only for recipients that are businesses (including sole proprietors).

Generally, reporting on Form 6497 is now only required for nontaxable energy grants or subsidized energy financing made for section 38 property (as defined in section 48 and the regulations under section 48).

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 Forms 1099, 1098, 5498, and W-2G** 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 for section 38 property to business 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.

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Andover, MA 05501

Illinois, Iowa, Minnesota, Missouri, Wisconsin
Kansas City, MO 64999

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
Philadelphia, PA 19255

Indiana, Kentucky, Michigan, Ohio, West Virginia
Cincinnati, OH 45999

Kansas, 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, Marn, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, 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 counties), Hawaii
Fresno, CA 93888

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee
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

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

Subsidized energy financing.—Financing (e.g., a loan) made directly or indirectly under a Federal, state, or local program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy. Subsidized energy financing can also include financing under a Federal, state, or local program having two or more principal purposes, but only if one of the principal purposes is to provide subsidized financing for energy conservation or production projects, and only to the extent that the financing is to be used for energy production or conservation purposes (the “use test”) or is provided out of funds designated specifically for energy production or conservation. Loan proceeds meet the use test only to the extent that any loan-related documents indicate that the funds are intended for that use.

Federal, state, or local government program that provides nontaxable grants or subsidized financing under programs with principal purpose of 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 business entity (including a sole proprietor) that received the grant or financing.

Line-by-Line Instructions

Line 1.—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.—Enter the address where any IRS inquiries concerning Form 6497 can be directed.

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

Line 4.—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.—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).—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).—Complete this column for sole proprietors without EINs.

Column 6(c).—Complete this column if no entry was made in column 6(b).

Column 6(d).—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).—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 spent \$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.