

**Credit For Prior Year Minimum Tax—Corporations**

**1998**

▶ Attach to the corporation's tax return.

Name	Employer identification number	
<b>1</b> Alternative minimum tax (AMT) for 1997. Enter the amount from line 15 of the 1997 Form 4626	<b>1</b>	
<b>2</b> Minimum tax credit carryforward from 1997. Enter the amount from line 9 of the 1997 Form 8827	<b>2</b>	
<b>3</b> Enter the total of any 1997 unallowed nonconventional source fuel credit and 1997 unallowed qualified electric vehicle credit. See instructions	<b>3</b>	
<b>4</b> Add lines 1, 2, and 3	<b>4</b>	
<b>5</b> Enter the corporation's 1998 regular income tax liability minus allowable tax credits. See instructions	<b>5</b>	
<b>6</b> If the corporation is: • A "small corporation" exempt from the AMT for 1998, and line 5 is \$25,000 or less, enter -0-. See instructions. • A "small corporation" exempt from the AMT for 1998, and line 5 is more than \$25,000, enter 25% (.25) of the excess. • Not a "small corporation" exempt from the AMT for 1998, complete Form 4626 for 1998 and enter the tentative minimum tax from line 13	<b>6</b>	
<b>7</b> Subtract line 6 from line 5. If zero or less, enter -0-	<b>7</b>	
<b>8</b> <b>Minimum tax credit.</b> Enter the <b>smaller</b> of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 4e). If the corporation had a post-1986 ownership change or has preacquisition excess credits, see instructions.	<b>8</b>	
<b>9</b> <b>Minimum tax credit carryforward to 1999.</b> Subtract line 8 from line 4. See instructions.	<b>9</b>	

**General Instructions**

Section references are to the Internal Revenue Code.

**A Change To Note**

The tax liability limit for the minimum tax credit has been modified for "small corporations" exempt from the AMT. For these corporations, the tax liability limit is the regular tax (minus allowable credits) reduced by 25% of the excess of the regular tax (minus allowable credits) over \$25,000.

**Purpose of Form**

Form 8827 is used by corporations to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

**Who Should File**

Form 8827 should be filed by corporations that had:

- An AMT liability in 1997;
- A minimum tax credit carryforward from 1997 to 1998; or
- A nonconventional source fuel credit or a qualified electric vehicle credit not allowed for 1997 (see the instructions for line 3).

**Specific Instructions**

**Line 3**

Enter the total of any nonconventional source fuel credit and qualified electric vehicle credit not allowed for 1997 solely because of the limitations under sections 29(b)(6)(B) and 30(b)(3)(B).

**Line 5**

Enter the corporation's 1998 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (e.g., if you are filing Form 1120, subtract any credits on Schedule J, lines 4a through 4d, from the amount on Schedule J, line 3).

**Line 6**

See the 1998 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT. If the corporation is a "small corporation" exempt from the AMT, see section 38(c)(3) before completing line 6 for special rules that apply to controlled corporate groups, regulated investment companies, and real estate investment trusts.

**Line 8**

If the corporation had a post-1986 ownership change (as defined in section 382(g)), the amount of pre-change minimum tax credits that can be applied against the corporation's tax for any tax year ending after the ownership change may be limited. See section 383 and the related regulations. To figure the amount of the pre-change credit, the corporation must allocate the credit for the change year between the pre-change period and the post-change period. The corporation must use the same method of allocation (ratable allocation or closing-of-the-books) for purposes of sections 382 and 383. See Regulations section 1.382-6 for details. Also, preacquisition excess credits of one corporation generally cannot be used to offset the tax attributable to recognized built-in gains of another corporation. See section 384 for details.

If either limit applies, attach a computation of the minimum tax credit allowed. Enter that amount on line 8. Write "Sec. 383" or "Sec. 384" on the dotted line to the left of the line 8 entry space.

**Line 9**

Keep a record of this amount to carry forward and use in future years.

**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.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 1 hour.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

