

Name(s) shown on return

Identifying number

**Part I Tentative Credit**

| Use a separate column for each vehicle. If you need more columns, use additional Forms 8834 and include the total on line 7. |   | (a)  | (b)   | (c)   |    |
|--|---|--|-------|-------|----|
| 1  | Cost of vehicle . . . . .   | 1  |       |       |    |
| 2  | Section 179 expense deduction. See instructions . . . . .   | 2  |       |       |    |
| 3  | Subtract line 2 from line 1 . . . . .   | 3  |       |       |    |
| 4  | Multiply line 3 by 10% (.10) . . . . .  | 4  |       |       |    |
| 5  | Maximum credit per vehicle . . . . .  | 5  | 4,000 | 4,000 |    |
| 6  | Enter the <b>smaller</b> of line 4 or line 5 . . . . .  | 6  |       |       |    |
| 7  | <b>Current year qualified electric vehicle credit.</b> Add line 6, columns (a) through (c). . . . . |  |       |       | 7  |
| 8  | Credits from flow-through entities:   |  |       |       |    |
|  | <b>If you are a—</b>  | <b>Then enter total of current year qualified electric vehicle credit(s) from—</b> |       |       |    |
|  | Shareholder   | Schedule K-1 (Form 1120S), lines 12d through 13                                    |       |       | 8  |
|  | Partner   | Schedule K-1 (Form 1065), lines 12c through 13                                     |       |       |    |
| 9  | Total current year credit. Add lines 7 and 8 . . . . .  |  |       |       | 9  |
| 10   | Passive activity credits included on line 9. See instructions . . . . .                             |  |       |       | 10 |
| 11   | Subtract line 10 from line 9 . . . . .  |  |       |       | 11 |
| 12   | Passive activity credits allowed for 1998. See instructions . . . . .                               |  |       |       | 12 |
| 13   | <b>Tentative qualified electric vehicle credit.</b> Add lines 11 and 12. . . . . ▶                  |  |       |       | 13 |

**Part II Tax Liability Limitation**

|    |   |     |  |  |     |
|----|---|-----|--|--|-----|
| 14 | Regular tax before credits:   |     |  |  |     |
|    | <ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 1040, line 40.</li> <li>Corporations. Enter the amount from Form 1120, Schedule J, line 3.</li> <li>Other filers. Enter the regular tax before credits from your return.</li> </ul>            |     |  |  | 14  |
| 15 | Credits that reduce regular tax before the qualified electric vehicle credit:   |     |  |  |     |
| a  | Credit for child and dependent care expenses (Form 2441, line 9) . . . . .  | 15a |  |  | 15k |
| b  | Credit for the elderly or the disabled (Schedule R (Form 1040), line 20) . . . . .  | 15b |  |  |     |
| c  | Child tax credit (Form 1040, line 43) . . . . .   | 15c |  |  |     |
| d  | Education credits (Form 8863, line 18) . . . . .  | 15d |  |  |     |
| e  | Mortgage interest credit (Form 8396, line 11) . . . . .   | 15e |  |  |     |
| f  | Adoption credit (Form 8839, line 14) . . . . .  | 15f |  |  |     |
| g  | District of Columbia first-time homebuyer credit (Form 8859, line 11) . . . . .   | 15g |  |  |     |
| h  | Foreign tax credit . . . . .  | 15h |  |  |     |
| i  | Possessions tax credit (Form 5735, line 17 or 27) . . . . .   | 15i |  |  |     |
| j  | Credit for fuel from a nonconventional source . . . . .   | 15j |  |  |     |
| k  | Add lines 15a through 15j . . . . .   |     |  |  |     |
| 16 | Net regular tax. Subtract line 15k from line 14. If zero or less, do not file this form; you cannot claim this credit . . . . .   |     |  |  | 16  |
| 17 | Tentative minimum tax (see instructions):   |     |  |  |     |
|    | <ul style="list-style-type: none"> <li>Individuals. Enter the amount from Form 6251, line 26.</li> <li>Corporations. Enter the amount from Form 4626, line 13.</li> <li>Estates and trusts. Enter the amount from Form 1041, Schedule I, line 37.</li> </ul>                  |     |  |  | 17  |
| 18 | Excess of net regular tax over tentative minimum tax. Subtract line 17 from line 16. If zero or less, do not file this form; you cannot claim this credit . . . . . ▶   |     |  |  | 18  |
| 19 | <b>Qualified electric vehicle credit.</b> Enter the <b>smaller</b> of line 13 or line 18. Also enter on Form 1040, line 47; Form 1120, Schedule J, line 4c; Form 1041, Schedule G, line 2b; or the appropriate line of other income tax returns. See instructions . . . . . ▶ |     |  |  | 19  |

## General Instructions

Section references are to the Internal Revenue Code.

### Purpose of Form

Use Form 8834 to figure the credit for qualified electric vehicles placed in service during the year.

### Amount of Credit

The credit is 10% of the cost of the qualified electric vehicle. The maximum credit you may take for each vehicle is \$4,000.

### Qualified Electric Vehicle

A **qualified electric vehicle** is any motor vehicle that is:

- Manufactured primarily for use on public streets, roads, and highways, and has at least four wheels;
- Powered primarily by an electric motor drawing current from rechargeable batteries, fuel cells, or other portable sources of electrical current;
- Originally used by you; and
- Acquired for your own use and not for resale.

**Exceptions.** The qualified electric vehicle credit does not apply to vehicles that are:

- Operated exclusively on a rail or rails;
- Used primarily outside the United States;
- Used by a governmental unit or agency or any foreign person or entity; or
- Used by a tax-exempt organization (other than a section 521 farmers' cooperative) unless the property is used mainly in an unrelated trade or business taxed under section 511.

See section 50(b) for details and other exceptions that may apply.

### Basis Reduction

Unless you elect not to take the credit, you must reduce the basis of each vehicle by the amount of the credit entered on line 6 for that vehicle.

### Recapture of Credit

If the vehicle no longer qualifies for the credit within 3 years of the date you placed it in service, you must recapture part or all of the credit.

Generally, no recapture occurs on the sale or other disposition of the vehicle (including a disposition resulting from an accident or other casualty). However, if the vehicle will be modified after you dispose of it so that it no longer qualifies for the credit, the credit may be subject to recapture. For details, see **Pub. 535**, Business Expenses.

## Specific Instructions

### Line 2

Enter any section 179 expense deduction you claimed for this vehicle from Part I of **Form 4562**, Depreciation and Amortization.

### Line 10

Enter the amount of any credits included on line 9 that are from a passive activity.

Generally, a passive activity is a business activity in which you did not materially participate. Rental activities are generally passive activities, whether or not you materially participate. See **Form 8582-CR**, Passive Activity Credit Limitations, or **Form 8810**, Corporate Passive Activity Loss and Credit Limitations, for more details.

### Line 12

Enter the qualified electric vehicle passive activity credits allowed for 1998 from Form 8582-CR or Form 8810. See the instructions for the applicable form for more information.

### Line 17

Enter the tentative minimum tax that was figured on the appropriate alternative minimum tax form. Although you may not owe alternative minimum tax, you must still figure the tentative minimum tax to figure your credit.

### Line 19

If you cannot use part of the credit because of the tax liability limitation, the unused credit is lost. The unused or excess credit cannot be carried back or forward to other tax 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:

- Recordkeeping** . . . . . 7 hr., 10 min.
- Learning about the law or the form** . . . . . 30 min.
- Preparing, copying, assembling, and sending the form to the IRS** . . . . . 38 min.

If you have comments concerning the accuracy of these time estimates 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.

