

▶ **Attach to your tax return.**  
▶ **For vehicles placed in service after 2005.**

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 8910 and include the totals on lines 8 and 12.

	(a)	(b)	(c)
<b>1</b> Year, make, and model of vehicle . . . . .			
<b>2</b> Enter date during 2006 vehicle was placed in service (MM/DD) . . . . .	/ /2006	/ /2006	/ /2006
<b>3</b> Maximum credit allowable (see instructions) . . . . .			
<b>4</b> Phaseout percentage (see instructions) . . . . .	%	%	%
<b>5 Tentative credit.</b> Multiply line 3 by line 4 . . . . .			

**Part II Credit for Business/Investment Use Part of Vehicle**

<b>6</b> Business/investment use percentage (see instructions) . . . . .	%	%	%
<b>7</b> Multiply line 5 by line 6 . . . . .			
<b>8</b> Add columns (a) through (c) on line 7 . . . . .			
<b>9</b> Alternative motor vehicle credits from pass-through entities:			
<b>If you are a:</b> <b>Then enter the total alternative motor vehicle credits from:</b>			
<b>a</b> Shareholder      Schedule K-1 (Form 1120S), box 13, code F, G, or U . . . . .	}		
<b>b</b> Partner            Schedule K-1 (Form 1065), box 15, code F, G, or U . . . . .			
<b>10 Business/investment use part of alternative motor vehicle credit.</b> Add lines 8 and 9. Enter here and on line 1u of Form 3800. <b>Exception:</b> S corporations and partnerships, see instructions . . . . .			

**Part III Credit for Personal Use Part of Vehicle**

<b>11</b> Subtract line 7 from line 5 . . . . .			
<b>12</b> Add columns (a) through (c) on line 11 . . . . .			
<b>13</b> Regular tax before credits:			
• Individuals. Enter the amount from Form 1040, line 44 . . . . .	}		
• Other filers. Enter the regular tax before credits from your return . . . . .			
<b>14</b> Credits that reduce regular tax before the alternative motor vehicle credit:			
<b>a</b> Foreign tax credit . . . . .	<b>14a</b>		
<b>b</b> Credits from Form 1040, lines 48 through 54 . . . . .	<b>14b</b>		
<b>c</b> Qualified electric vehicle credit (Form 8834, line 20) . . . . .	<b>14c</b>		
<b>d</b> Add lines 14a through 14c . . . . .		<b>14d</b>	
<b>15</b> Net regular tax. Subtract line 14d from line 13. If zero or less, stop here; <b>do not</b> file this form unless you are claiming a credit on line 10 . . . . .			
<b>16</b> Tentative minimum tax (see instructions):			
• Individuals. Enter the amount from Form 6251, line 33 . . . . .	}		
• Other filers. Enter the tentative minimum tax from your alternative minimum tax form or schedule . . . . .			
<b>17</b> Subtract line 16 from line 15. If zero or less, stop here; <b>do not</b> file this form unless you are claiming a credit on line 10 . . . . .			
<b>18 Personal use part of alternative motor vehicle credit.</b> Enter the <b>smaller</b> of line 12 or 17 here and on Form 1040, line 55, or the appropriate line of your return. If line 17 is smaller than line 12, see instructions . . . . .			

# General Instructions

Section references are to the Internal Revenue Code.

## Purpose of Form

Use Form 8910 to figure your credit for alternative motor vehicles you placed in service after 2005. The credit attributable to depreciable property (vehicles used for business or investment purposes) is treated as a general business credit. Any credit not attributable to depreciable property is treated as a personal credit.

## Alternative Motor Vehicle

An alternative motor vehicle is a new vehicle that qualifies as one of the following four types of vehicles.

- Advanced lean burn technology vehicle. This is a vehicle with an internal combustion engine that incorporates direct injection, is designed to operate primarily using more air than is necessary for complete combustion of the fuel, and that meets certain additional requirements.
- Qualified hybrid vehicle. This is a vehicle that draws propulsion energy from onboard sources of stored energy that are both an internal combustion or heat engine using consumable fuel and a rechargeable energy storage system and that meets certain additional requirements.
- Qualified alternative fuel vehicle. This is a vehicle fueled by compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, any liquid that is at least 85 percent methanol, or a mixture of one of these fuels and a petroleum-based fuel, and that meets certain additional requirements.
- Qualified fuel cell vehicle. This is a vehicle propelled by power derived from one or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel and that meets certain additional requirements.

Generally, for a passenger car or light duty truck that is either a qualified hybrid vehicle or an advanced lean burn technology vehicle, you can rely on the manufacturer's (or, in the case of a foreign manufacturer, its domestic distributor's) certification that a specific make, model, and model year vehicle qualifies for the credit and the maximum amount of the credit for which it qualifies.

If, however, the Internal Revenue Service publishes an announcement that the certification for any specific make, model, and model year vehicle has been withdrawn, you cannot rely on the certification for such a vehicle purchased after the date of publication of the withdrawal announcement.

If you purchased a vehicle and its certification was withdrawn on or after the date of purchase, you can rely on such certification even if you had not placed the vehicle in service or claimed the credit by the date the withdrawal announcement was published by the IRS. The IRS will not attempt to collect any understatement of tax liability attributable to reliance on the certification as long as you purchased the vehicle on or before the date the IRS published the withdrawal announcement.

In addition to certification, the following requirements must be met to qualify for the credit:

- You placed the vehicle in service after 2005;
- The original use of the vehicle began with you;
- You acquired the vehicle for your use or to lease to others, and not for resale; and
- You use the vehicle primarily in the United States.

**Exception.** If you are the seller of a new vehicle to a tax-exempt organization, governmental unit, or a foreign person or entity, and the use of that vehicle is described in section 50(b)(3) or (4), you can claim the credit, but only if you clearly disclose in writing to the purchaser the amount of the tentative credit allowable for the vehicle (from line 5 of Form 8910).

For details, see section 30B and Notice 2006-9. You can find Notice 2006-9 on page 413 of Internal Revenue Bulletin 2006-6 at [www.irs.gov/pub/irs-irbs/irb06-06.pdf](http://www.irs.gov/pub/irs-irbs/irb06-06.pdf).

## Basis Reduction

Unless you elect not to claim the credit, you may have to reduce the basis of each vehicle by the sum of the amounts entered on lines 7 and 11 for that vehicle.

## Recapture of Credit

If the vehicle no longer qualifies for the credit, you must recapture part or all of the credit. For details, see section 30B(h)(8).

# Specific Instructions

## Line 3

Enter the maximum credit allowable for the year, make, and model of vehicle you entered on line 1. You can generally rely on the manufacturer's (or domestic distributor's) certification of the maximum credit allowable as explained above.



*At the time these instructions went to print, the IRS had not announced the procedures for determining the maximum credit allowable for all vehicles that may qualify for the credit.*

## Line 4

Enter 100% unless your vehicle is an advanced lean burn technology vehicle or qualified hybrid vehicle **and** either of the following applies.

- If you purchased your vehicle after June 30, 2006, and the vehicle manufacturer (or, for a foreign manufacturer, its U.S. distributor) sold at least 60,000 qualified vehicles for use in the United States during the first 3 months of 2006, enter 50% on line 4.
- If you purchased your vehicle after September 30, 2006, and the vehicle manufacturer (or, for a foreign manufacturer, its U.S. distributor) sold at least 60,000 qualified vehicles for use in the United States during the first 6 months of 2006, enter 50% on line 4.

If you purchased your vehicle after June 30, 2006, you must contact the seller to get the information on qualified vehicle sales. Qualified vehicles are advanced lean burn technology vehicles and qualified hybrid vehicles.

## Line 6

Enter the percentage of business/investment use.

Enter 100% if the nature of the vehicle does not lend itself to personal use or you are claiming the credit as the seller of the vehicle.

If the nature of the vehicle lends itself to personal use (for example, automobiles, pick up trucks, and sport utility vehicles), determine this percentage by dividing the number of miles the vehicle is driven during the year for trade or business purposes or for the production of income (not to include any commuting mileage) by the total number of miles the vehicle is driven for all purposes. Treat vehicles used by your employees as being used 100% for business/investment purposes if the value of personal use is included in the employees' gross income, or the employees reimburse you for the personal use. If you report the amount of personal use of the vehicle in your employee's gross income and withhold the appropriate taxes, enter "100%" for the percentage of business/investment use.

If during the tax year you convert property used solely for personal purposes to business/investment use (or vice versa), figure the percentage of business/investment use only for the number of months you use the property in your business or for the production of income. Multiply that percentage by the number of months you use the property in your business or for the production of income and divide the result by 12. For example, if you converted a vehicle to 50% business use for the last 6 months of the year, you would enter 25% on line 6 (50% multiplied by 6 divided by 12).

For more information, see Pub. 463, Travel, Entertainment, Gift, and Car Expenses.

## Line 10

Allocate the line 10 credit of an S corporation or partnership among the shareholders or partners. Show the credit for each shareholder or partner on Schedule K-1. Electing large partnerships include this credit in "general credits."

## Line 16

Although you may not owe alternative minimum tax (AMT), you must still figure the tentative minimum tax (TMT) to figure your credit. Complete and attach the applicable AMT form or schedule and enter the TMT on line 16.

## Line 18

If you cannot use part of the personal portion of the credit because of the tax liability limit, the unused credit is lost. The unused personal portion of the 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 burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

<b>Recordkeeping</b> . . . . .	9 hr., 19 min.
<b>Learning about the law or the form</b> . . . . .	12 min.
<b>Preparing and sending the form to the IRS</b> . . . . .	21 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.