

Qualified Electric Vehicle Credit

- ▶ Attach to your tax return.
▶ See instructions on back.

Name(s) shown on return

Identifying number

Part I Tentative Credit

	(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 Limitation per vehicle	5	4,000	4,000
6 Enter the smaller of line 4 or line 5	6		
7 Current year qualified electric vehicle credit. Add line 6, columns (a) through (c).			7
8 Credits from flow-through entities:			
If you are a—	Then enter total of current year qualified electric vehicle credit(s) from—		
Shareholder	Schedule K-1 (Form 1120S), lines 12d through 13		8
Partner	Schedule K-1 (Form 1065), lines 13c through 14		
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 1995. See instructions			12
13 Tentative qualified electric vehicle credit. Add lines 11 and 12.			13

Part II Tax Liability Limitation

14 Enter the amount of your regular tax:		
• Individuals. Enter the amount from Form 1040, line 40.	}	14
• Corporations. Enter the amount from Form 1120, Schedule J, line 3.		
• Other filers. Enter your regular tax before credits from your return.		
15 Credits that reduce regular tax before the qualified electric vehicle credit:		
a Credit for child and dependent care expenses (Form 2441, line 10)	15a	15g
b Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	15b	
c Mortgage interest credit (Form 8396, line 11)	15c	
d Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, Part III, line 12)	15d	
e Possessions tax credit (Form 5735)	15e	
f Credit for fuel from a nonconventional source	15f	
g Add lines 15a through 15f		
16 Net regular tax. Subtract line 15g from line 14. If zero or less, do not file this form; you cannot claim this credit		16
17 Tentative minimum tax (see instructions):		
• Individuals. Enter the amount from Form 6251, line 26.	}	17
• Corporations. Enter the amount from Form 4626, line 13.		
• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 37.		
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 Qualified electric vehicle credit. Enter the smaller of line 13 or line 18. Also enter on Form 1040, line 44; Form 1120, Schedule J, line 4c; Form 1041, Schedule G, line 2b; or the appropriate line of other income tax returns. See instructions		19

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.

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

Recordkeeping 6 hr., 13 min.

Learning about the law or the form 24 min.

Preparing, copying, assembling, and sending the form to the IRS 31 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.

General Instructions

Section references are to the Internal Revenue Code.

A Change To Note

The orphan drug credit expired on December 31, 1994. However, at the time this form was printed Congress was considering legislation to retroactively extend the credit. If you have an orphan drug credit for 1995, include the allowed credit from Form 6765 in the amount you enter on line 15g. Write the amount of the credit and "Orphan Drug" on the dotted line next to line 15g.

Purpose of Form

Use Form 8834 to figure the credit for qualified electric vehicles placed in service during the year. The credit is 10% of the cost of a qualified electric vehicle. The maximum amount of credit you may take for each vehicle is \$4,000.

You must reduce the basis of any vehicle for which the credit is allowable by the amount of the credit.

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.

Recapture of Credit

If the vehicle no longer qualifies for the credit in a later year, 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, get **Pub. 535, Business Expenses**.

Specific Instructions

Part I

Columns (a) through (c)

Complete lines 1 through 6 for each vehicle. Use a separate column for each vehicle. If you need more columns, use additional Forms 8834 and include the total on line 7.

Line 2

If you took a section 179 expense deduction on an electric vehicle, you must reduce the cost of the vehicle by this amount. Enter on this line any section 179 expense deduction you claimed for this vehicle in 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 trade or business in which you did not materially participate. Rental activities are 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 1995 from Form 8582-CR or Form 8810. See the instructions for the applicable form for more information.

Part II

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.

