

# Credit for Contributions to Selected Community Development Corporations

Department of the Treasury  
Internal Revenue Service

▶ Attach to your return.

Name(s) shown on return

Identifying number

**Part I Current Year Credit**

1 Total qualified community development corporation (CDC) contributions from Part I of Schedule(s) A (Form 8847).	1							
2 Current year CDC credit. Multiply line 1 by 5% (.05)	2							
3 CDC credits from pass-through entities:								
<table border="0" style="width: 100%;"> <tr> <td style="width: 20%; border-bottom: 1px solid black;">If you are a—</td> <td style="border-bottom: 1px solid black;">Then enter total of current year CDC credit(s) from—</td> </tr> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), lines 12d, 12e, or 13</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), lines 12c, 12d, or 13</td> </tr> </table>	If you are a—	Then enter total of current year CDC credit(s) from—	a Shareholder	Schedule K-1 (Form 1120S), lines 12d, 12e, or 13	b Partner	Schedule K-1 (Form 1065), lines 12c, 12d, or 13	3	
If you are a—	Then enter total of current year CDC credit(s) from—							
a Shareholder	Schedule K-1 (Form 1120S), lines 12d, 12e, or 13							
b Partner	Schedule K-1 (Form 1065), lines 12c, 12d, or 13							
4 Total current year CDC credit. Add lines 2 and 3	4							

**Part II Tax Liability Limit (See Who Must File Form 3800 to find out if you complete Part II or file Form 3800.)**

5 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; Form 1120-A, Part I, line 1; or the applicable line of your return</li> <li>• Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return</li> </ul>	5	
6 Alternative minimum tax:		
<ul style="list-style-type: none"> <li>• Individuals. Enter the amount from Form 6251, line 28</li> <li>• Corporations. Enter the amount from Form 4626, line 15</li> <li>• Estates and trusts. Enter the amount from Form 1041, Schedule I, line 39</li> </ul>	6	
7 Add lines 5 and 6	7	
8a Foreign tax credit	8a	
b Credit for child and dependent care expenses (Form 2441, line 9)	8b	
c Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	8c	
d Education credits (Form 8863, line 18)	8d	
e Rate reduction credit (Form 1040, line 47)	8e	
f Child tax credit (Form 1040, line 48)	8f	
g Mortgage interest credit (Form 8396, line 11)	8g	
h Adoption credit (Form 8839, line 14)	8h	
i District of Columbia first-time homebuyer credit (Form 8859, line 11)	8i	
j Possessions tax credit (Form 5735, line 17 or 27)	8j	
k Credit for fuel from a nonconventional source	8k	
l Qualified electric vehicle credit (Form 8834, line 20)	8l	
m Add lines 8a through 8l	8m	
9 Net income tax. Subtract line 8m from line 7. If zero, skip lines 10 through 13 and enter -0- on line 14	9	
10 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>	10	
11 Net regular tax. Subtract line 8m from line 5. If zero or less, enter -0-	11	
12 Enter 25% (.25) of the excess, if any, of line 11 over \$25,000 (see instructions)	12	
13 Enter the greater of line 10 or line 12	13	
14 Subtract line 13 from line 9. If zero or less, enter -0-	14	
15 CDC credit allowed for the current year. Enter the smaller of line 4 or line 14 here and on Form 1040, line 50; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 4a; Form 1041, Schedule G, line 2c; or the applicable line of your return	15	

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

Use Form 8847 to claim the credit for qualified contributions made to selected community development corporations (CDCs).

### How the Credit Is Figured

The credit is figured over a 10-year credit period beginning with the tax year the qualified CDC contribution was made. The credit for each tax year in the credit period is 5% of the qualified CDC contribution (see below). The credit is part of the general business credit and is figured under section 13311 of the Revenue Reconciliation Act of 1993.

### Definitions

A **qualified CDC contribution** is any transfer of cash to a selected CDC before June 30, 1999, that is available for use by the CDC for at least 10 years and was designated by the CDC as a qualified contribution for purposes of the credit. Selected CDCs furnished each contributor a **Schedule A (Form 8847)**, Receipt for Contribution to a Selected Community Development Corporation (CDC), with Part I of Schedule A completed.

**Selected CDCs** were announced in HUD News Release No. 94-94, dated June 30, 1994.

## Specific Instructions

### Part I—Current Year Credit

#### S Corporations and Partnerships

S corporations and partnerships complete lines 1 through 4 to figure the credit to pass through to their partners or shareholders. Electing large partnerships include this credit in "general credits."

**Note:** *If your only CDC credit is from a partnership or S corporation, skip lines 1 and 2 and complete lines 3 and 4 and Part II (or Form 3800, if required).*

#### Line 1

You are not required to attach copies of Schedule(s) A (Form 8847) to your tax return, but you may do so. You must keep all original Schedule(s) A (Form

8847) you received for 3 years after the end of the 10-year credit period.

### Who Must File Form 3800

Complete **Form 3800**, General Business Credit, instead of completing Part II of Form 8847, to figure the tax liability limit for the credit if for this year you have:

- More than one of the credits included in the general business credit listed below,
- A carryback or carryforward of any of the credits,
- A credit from a passive activity, or
- General credits from an electing large partnership (Schedule K-1 (Form 1065-B)).

The general business credit consists of the following credits.

- Investment (Form 3468).
- Work opportunity (Form 5884).
- Welfare-to-work (Form 8861).
- Alcohol used as fuel (Form 6478).
- Research (Form 6765).
- Low-income housing (Form 8586).
- Enhanced oil recovery (Form 8830).
- Disabled access (Form 8826).
- Renewable electricity production (Form 8835).
- Indian employment (Form 8845).
- Employer social security and Medicare taxes paid on certain employee tips (Form 8846).
- Orphan drug (Form 8820).
- New markets (Form 8874).
- Contributions to selected community development corporations (Form 8847).
- Trans-Alaska pipeline liability fund.

The empowerment zone employment credit (Form 8844), while a component of the general business credit, is figured separately on Form 8844 and is never carried to Form 3800.

### Part II—Tax Liability Limit

#### Line 10

Although you may not owe alternative minimum tax (AMT), you generally must still compute the tentative minimum tax (TMT) to figure your credit. For a small corporation exempt from the AMT under section 55(e), enter zero. Otherwise,

complete and attach the applicable AMT form or schedule and enter the TMT on line 10.

#### Line 12

See section 38(c)(3) for special rules that apply to married couples filing separate returns, controlled corporate groups, regulated investment companies, real estate investment trusts, and estates and trusts.

#### Line 15

If you cannot use part of the credit because of the tax liability limit (line 14 is smaller than line 4), carry the unused portion back 1 year then forward for up to 20 years. See the Instructions for Form 3800 for details.

**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 times are:

**Recordkeeping** . . . . . 6 hr., 56 min.

**Learning about the law or the form** . . . . . 24 min.

**Preparing 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.

