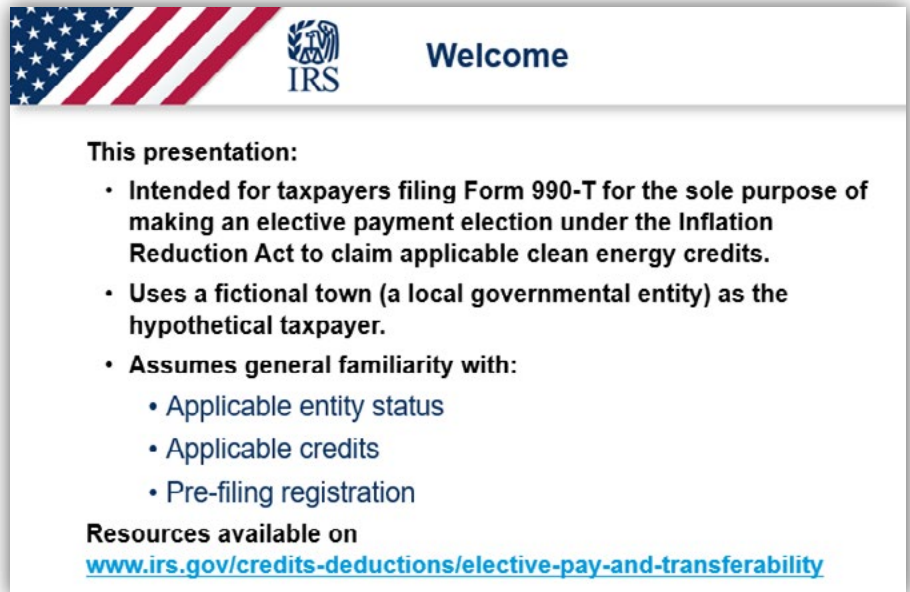




Completing Form 990-T for Elective Payment Only

Text version of the [Completing Form 990-T for Elective Payment Only](#) on [StayExempt.irs.gov](#)

Slide 1 - Title Page (No audio)



Slide 1 features a header with an American flag graphic on the left, the IRS logo in the center, and the word "Welcome" on the right. The main content area contains the following text:

This presentation:

- Intended for taxpayers filing Form 990-T for the sole purpose of making an elective payment election under the Inflation Reduction Act to claim applicable clean energy credits.
- Uses a fictional town (a local governmental entity) as the hypothetical taxpayer.
- Assumes general familiarity with:
 - Applicable entity status
 - Applicable credits
 - Pre-filing registration

Resources available on www.irs.gov/credits-deductions/elective-pay-and-transferability

Slide 2: Welcome

This video is intended for taxpayers filing Form 990-T for the sole purpose of making an elective payment election under the Inflation Reduction Act to claim applicable clean energy credits.

This presentation uses a fictional town (a local governmental entity) as the hypothetical taxpayer and assumes you are generally familiar with applicable entity status, applicable credits and pre-filing registration. You may wish to review resources available on the EPE/TE webpage before viewing this video.



Slide 2 features a header with an American flag graphic on the left, the IRS logo in the center, and the text "IRS Tax Exempt & Government Entities presents" on the right. The main content area contains the following text:

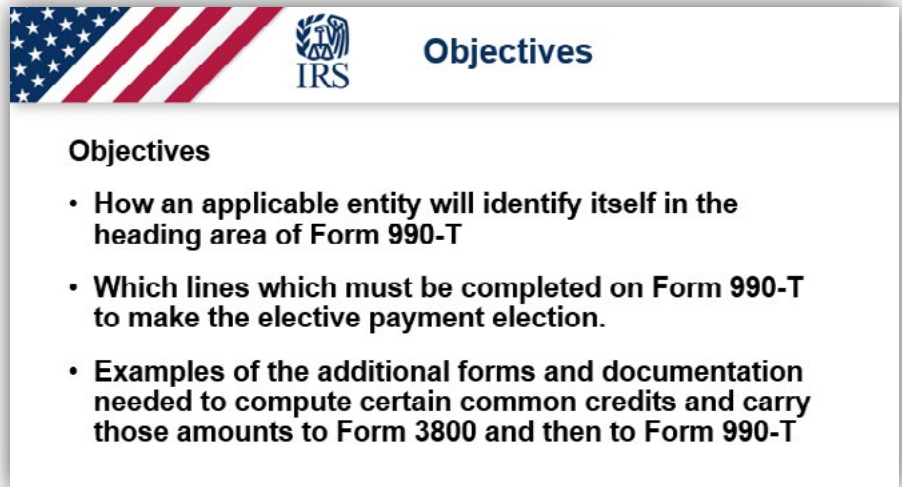
IRS Tax Exempt & Government Entities presents

Completing Form 990-T for Elective Payment Election Only

Slide 3: Objectives (text differs slightly from the audio)

This presentation will show you how an applicable entity (in this case a government entity that is not a public college or university) should identify itself in the heading area of its Form 990-T. It will also show you which lines must be completed on Form 990-T to make the elective payment election, and you'll see examples of the additional forms and documentation needed to compute the various credits and carry those amounts to Form 3800 and then to Form 990-T.

A link to download the complete text from this presentation can be found on this page. You may find it helpful to have the document open in another window or as a printout.



The slide features a header with an American flag graphic on the left, the IRS logo in the center, and the title "Objectives" on the right. Below the header, the word "Objectives" is written in bold. A bulleted list follows, detailing three key points about identifying the entity, completing Form 990-T lines, and providing additional documentation for credit calculations.

Objectives

- **How an applicable entity will identify itself in the heading area of Form 990-T**
- **Which lines which must be completed on Form 990-T to make the elective payment election.**
- **Examples of the additional forms and documentation needed to compute certain common credits and carry those amounts to Form 3800 and then to Form 990-T**

Slide 4: Background/Introduction (text differs slightly from the audio)

This presentation is not intended for organizations with unrelated business taxable income (UBTI), or organizations that will file Form 990-T for a limited purpose other than the Inflation Reduction Act elective payment election.

Form 990-T consists of a two-page core form and the Form 990-T Schedule A. Taxpayers with unrelated business taxable income use one or more Schedules A to report income, gains, deductions and losses for each separate unrelated business activity.

Taxpayers using Form 990-T solely to make elective payment elections should complete the core Form 990-T only. They will not complete or attach Schedule A of Form 990-T to the return.

At least two additional forms must accompany Form 990-T. They are:

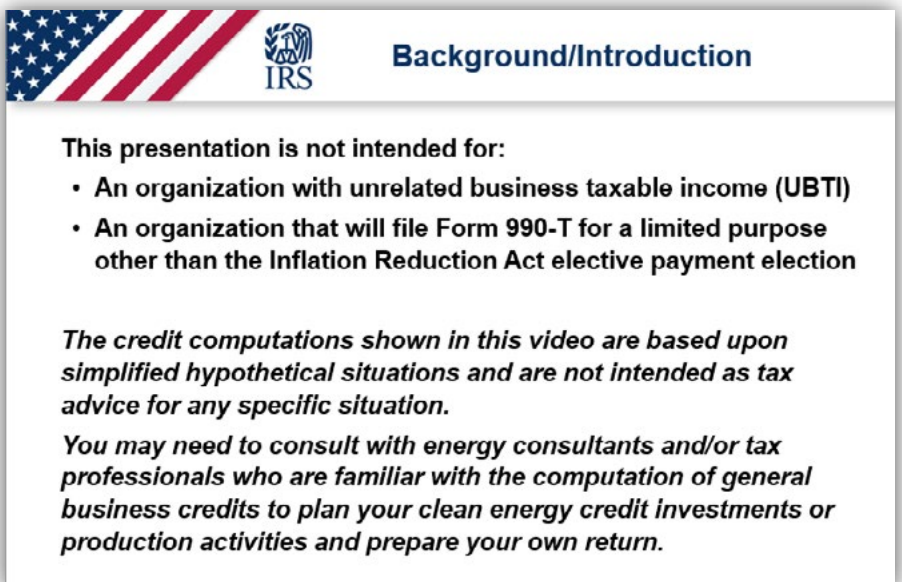
- Form 3800, General Business Credit, and
- The applicable source credit form(s)

A completed Form 990-T is the focus of this presentation. However, before you can fill in the elective payment amount on Form 990-T, you must prepare each source credit form to calculate the specific credit amounts, then you will add that information to Form 3800, where you will calculate the elective payment election amount that you will place on Form 990-T.

Therefore, this presentation will demonstrate simple credit computations for three projects I'll describe shortly.

The information you need to compute the credits should be found in purchase documents, contracts and other documentation related to the installation or project.

Please note that the credit computations used in this video are based on a simplified hypothetical situation and are not intended as tax advice for any specific situation. You may need to consult with a tax professional who is familiar with the computation of general business credits to prepare your own return.



The slide features a header with an American flag graphic on the left, the IRS logo in the center, and the title "Background/Introduction" on the right. Below the header, the text states that the presentation is not intended for organizations with UBTI or those filing Form 990-T for limited purposes. A bolded disclaimer follows, stating that credit computations are based on simplified hypothetical situations and are not tax advice. A final bolded statement advises consulting with energy consultants or tax professionals for planning and return preparation.

Background/Introduction

This presentation is not intended for:

- **An organization with unrelated business taxable income (UBTI)**
- **An organization that will file Form 990-T for a limited purpose other than the Inflation Reduction Act elective payment election**

The credit computations shown in this video are based upon simplified hypothetical situations and are not intended as tax advice for any specific situation.


You may need to consult with energy consultants and/or tax professionals who are familiar with the computation of general business credits to plan your clean energy credit investments or production activities and prepare your own return.

Slide 5: Pre-Requisites to an EPE

The first step to making an elective payment election is to undertake an investment or production activity that qualifies for the credit.

This video is not intended as assistance regarding such activities. The examples presented here intentionally omit facts and situations where a credit enhancement (such as prevailing wage or domestic content) could apply. Similarly, the examples used in this presentation do not explore adjustments that may be required when restricted funds or tax-exempt financing are used to acquire a property/facility.

The second step is to register the intention to make elective payment elections with respect to each credit on a facility-by-facility basis.



STEP 1 of making an elective payment election
Undertake an investment or production activity that qualifies for the credit

Note:

- This program is not intended as assistance regarding such activities.
- The examples presented here intentionally omit facts and situations where a credit enhancement (such as prevailing wage or domestic content) could apply.
- The examples used in this program do not explore adjustments that may be required when restricted funds or tax-exempt financing are used to acquire a property/facility.


STEP 2
Register your intention to make elective payment elections with respect to each credit on a facility-by-facility basis at www.irs.gov/eptregister.

More information is available at the main EPE Page:
www.irs.gov/credits-deductions/elective-pay-and-transferability

Slide 6: Fictitious Town Hypothetical

Our hypothetical town would like to earn the following 3 types of credits:

- Section 30C, Alternative Fuel Vehicle Refueling Property Credit, from the purchase and installation of 3 electric vehicle charging stations
- Section 45W, Credit for Qualified Commercial Clean Vehicles, from the purchase of 3 electric vehicles, and
- Section 48, Energy Credit, from the purchase and installation of solar panels on 2 buildings.



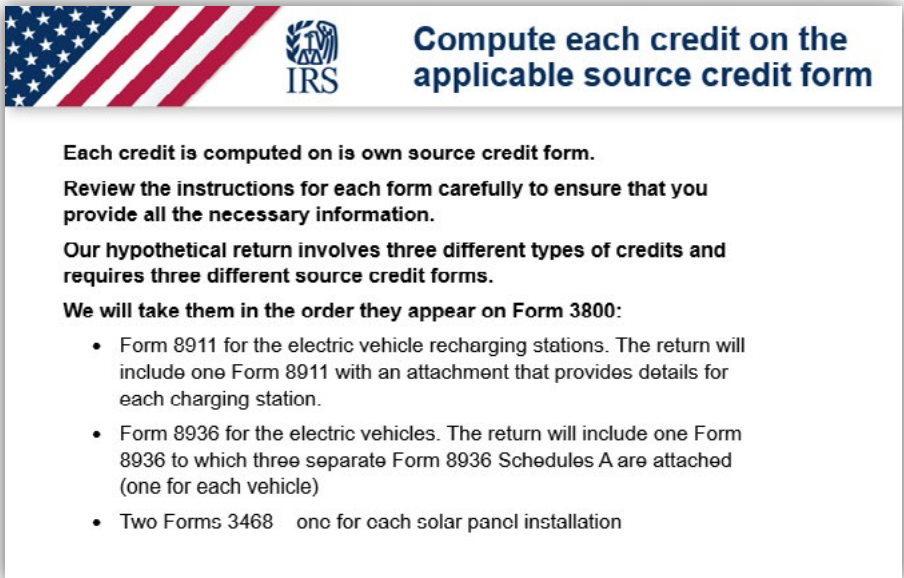
Requesting three types of credits:

- **Section 30C, Alternative Fuel Vehicle Refueling Property Credit**
- Purchase/installation of three electric vehicle charging stations
- **Section 45W, Credit for Qualified Commercial Clean Vehicles**
-Purchase of three electric vehicles
- **Section 48, Investment Credit**
-Purchase/installation of solar panels on two town-owned buildings.

Slide 7: Computation of Each Credit

Each credit is computed on its own source credit form. You will need to review the instructions for each form carefully to ensure that you provide all the necessary information. As described in the previous slide, our hypothetical return involves three different types of credits so this requires three different source credit forms. We will discuss them in the order they appear on Form 3800:

- The first is Form 8911 for the electric vehicle recharging stations. The return will include one Form 8911 with an attachment that provides details for each charging station.
- Form 8936 will be used for the electric vehicles. The return will include one Form 8936 to which three separate Form 8936, Schedules A will be attached - one for each vehicle.
- Finally, we'll discuss two Forms 3468 – one for each solar panel installation.



Slide 7: Computation of Each Credit. The slide features the IRS logo and an American flag graphic. The text reads: "Compute each credit on the applicable source credit form. Each credit is computed on its own source credit form. Review the instructions for each form carefully to ensure that you provide all the necessary information. Our hypothetical return involves three different types of credits and requires three different source credit forms. We will take them in the order they appear on Form 3800: Form 8911 for the electric vehicle recharging stations. The return will include one Form 8911 with an attachment that provides details for each charging station. Form 8936 for the electric vehicles. The return will include one Form 8936 to which three separate Form 8936 Schedules A are attached (one for each vehicle). Two Forms 3468 one for each solar panel installation."

Slide 8: Form 8911, Alternative Fuel Vehicle Refueling Property Credit

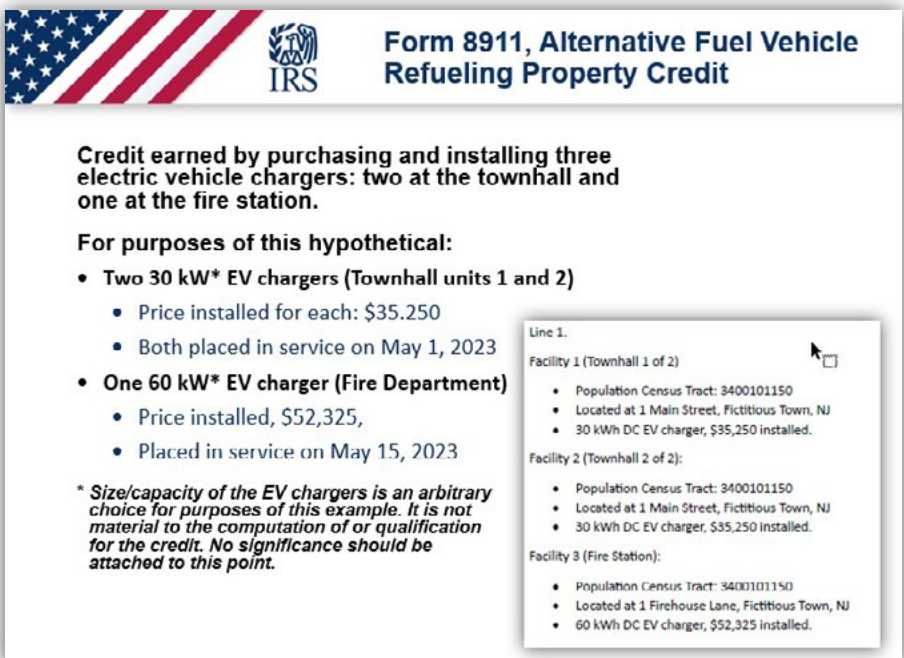
The Fictitious Town installed three electric vehicle stations. Two were installed at the town hall and one was added at the fire station.

Two 30-kilowatt electric vehicle stations were installed at the Town Hall at a cost of \$35,250 each. They were placed in service on May 1, 2023.

The 60 kilowatt electric vehicle charging station installed at the fire station cost \$52,325 and was placed in service on May 15, 2023.

Note that the kilowatt ratings of these chargers are provided simply as a means briefly to describe the properties on the attachments to Form 8911.

This slide also shows the attachment to Form 8911 that shows the detail for the amounts reported on Form 8911, Line 1.



Slide 8: Form 8911, Alternative Fuel Vehicle Refueling Property Credit. The slide features the IRS logo and an American flag graphic. The text reads: "Form 8911, Alternative Fuel Vehicle Refueling Property Credit. Credit earned by purchasing and installing three electric vehicle chargers: two at the townhall and one at the fire station. For purposes of this hypothetical: Two 30 kW* EV chargers (Townhall units 1 and 2). Price installed for each: \$35,250. Both placed in service on May 1, 2023. One 60 kW* EV charger (Fire Department). Price installed, \$52,325. Placed in service on May 15, 2023. * Size/capacity of the EV chargers is an arbitrary choice for purposes of this example. It is not material to the computation of or qualification for the credit. No significance should be attached to this point." An inset image shows a screenshot of Form 8911, Line 1, with the following details: Facility 1 (Townhall 1 of 2): Population Census Tract: 3400101150, Located at 1 Main Street, Fictitious Town, NJ, 30 kWh DC EV charger, \$35,250 installed. Facility 2 (Townhall 2 of 2): Population Census Tract: 3400101150, Located at 1 Main Street, Fictitious Town, NJ, 30 kWh DC EV charger, \$35,250 installed. Facility 3 (Fire Station): Population Census Tract: 3400101150, Located at 1 Firehouse Lane, Fictitious Town, NJ, 60 kWh DC EV charger, \$52,325 installed.

Slide 9: Form 8911, Excerpts from Instructions

You should review the instructions carefully before you complete the Form 8911. Here are some key points:

- Use the January 2024 revision of Form 8911 for tax years beginning in 2023 or later.
- Note that property placed in service after 2022 will not be treated as qualified alternative-fuel-vehicle-refueling property unless it was placed in service in an eligible census tract. Worksheet 1 on page 3 of the Form 8911 instructions will help you determine whether property placed in service in 2023 or 2024 was placed in service in an eligible census tract.

Form 8911, Excerpts from Instructions

Key points:

- Use the January 2024 revision of Form 8911 for tax years beginning in 2023 or later.
- Property placed in service after 2022 will not be treated as qualified alternative fuel vehicle refueling property unless it was placed in service in an eligible census tract. Worksheet 1 will help you determine whether property placed in service in 2023 or 2024 was placed in service in an eligible census tract.

Form 8911		Alternative Fuel Vehicle Refueling Property Credit	
(Rev. January 2024) Department of the Treasury Internal Revenue Service		Attach to your tax return. Go to www.irs.gov/Form8911 for instructions and the latest information.	
Name(s) shown on return		Identifying number	
Fictitious Town		00-9012345	
Part I Total Cost of Refueling Property			
1	Total cost of qualified alternative fuel vehicle refueling property placed in service during the tax year	1	122,825
Part II Credit for Business/Investment Use Part of Refueling Property			
2	Business/investment use part (see instructions)	2	122,825
3	Section 179 expense deduction (see instructions)	3	0
4a	Subtract line 3 from line 2	4a	122,825
b	Enter any amount included on line 4a attributable to property placed in service as part of a project subject to project requirements that were not met (see instructions)	4b	122,825
c	Subtract line 4b from line 4a	4c	0
5a	Multiply line 4b by 6% (0.06)	5a	7,370
b	Multiply line 4c by 30% (0.30)	5b	0
c	Add lines 5a and 5b	5c	7,370
6	Maximum business/investment use part of credit (see instructions)	6	7,370
7	Enter the smaller of line 5c or line 6	7	7,370
8	Alternative fuel vehicle refueling property credit from partnerships and S corporations (see instructions)	8	0
9	Business/investment use part of credit. Add lines 7 and 8. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1a.	9	7,370

Slide 10: Form 8911

On form 8911:

- Line 1 is for the total cost of alternative fuel refueling property placed in service during the tax year. You can see here that the aggregate cost of the three EV stations on Line 1 is \$122,825.
- The instructions for Line 1 describe the attachment the filer must prepare showing information for the three vehicle chargers. An image of the attachment for Line 1 is shown here. Information for each charger includes the eligible census tract number, location of the charger, and the amount for each charger that is included in the total shown on Line 1.
- Line 2 is used to figure the business and investment use. In this case, the business/investment use is 100%, so Line 2 will be 100% of Line 1, which is \$122,825.

Form 8911

Line 1: Total cost of alternative fuel refueling property placed in service during the tax year. Include attachment for line 1.

Line 2: The Business/Investment use part is 100% of Line 1.

Line 3: Section 179 expenses Adjustment: there is no reduction for section 179 deduction (\$0).

Aggregate cost for 3 EV stations:

\$35,250
+ \$35,250
+ \$52,325
= \$122,825

Form 8911		Alternative Fuel Vehicle Refueling Property Credit	
(Rev. January 2024) Department of the Treasury Internal Revenue Service		Attach to your tax return. Go to www.irs.gov/Form8911 for instructions and the latest information.	
Name(s) shown on return		Identifying number	
Fictitious Town		00-9012345	
Part I Total Cost of Refueling Property			
1	Total cost of qualified alternative fuel vehicle refueling property placed in service during the tax year	1	122,825
Part II Credit for Business/Investment Use Part of Refueling Property			
2	Business/investment use part (see instructions)	2	122,825
3	Section 179 expense deduction (see instructions)	3	0
4a	Subtract line 3 from line 2	4a	122,825
b	Enter any amount included on line 4a attributable to property placed in service as part of a project subject to project requirements that were not met (see instructions)	4b	122,825
c	Subtract line 4b from line 4a	4c	0
5a	Multiply line 4b by 6% (0.06)	5a	7,370
b	Multiply line 4c by 30% (0.30)	5b	0
c	Add lines 5a and 5b	5c	7,370
6	Maximum business/investment use part of credit (see instructions)	6	7,370
7	Enter the smaller of line 5c or line 6	7	7,370
8	Alternative fuel vehicle refueling property credit from partnerships and S corporations (see instructions)	8	0
9	Business/investment use part of credit. Add lines 7 and 8. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1a.	9	7,370

Fictitious Town
1 Main Street
Fictitious Town, NJ 08300
EIN 00-9012345

Line 1.

Facility 1 (Townhall 1 of 2):

- Population Census Tract: 3400101150
- Located at 1 Main Street, Fictitious Town, NJ
- 30 kWh DC EV charger, \$35,250 installed.

Facility 2 (Townhall 2 of 2):

- Population Census Tract: 3400101150
- Located at 1 Main Street, Fictitious Town, NJ
- 30 kWh DC EV charger, \$35,250 installed.

Facility 3 (Fire Station):

- Population Census Tract: 3400101150
- Located at 1 Firehouse Lane, Fictitious Town, NJ
- 60 kWh DC EV charger, \$52,325 installed.

Slide 11: Form 8911

Line 3 shows the adjustment for the Section 179 expense deduction. There is no reduction for the Section 179 deduction so Line 3 will be \$0

Lines 4b and 4c are used to separate the costs that may qualify for the prevailing wage/apprenticeship bonus credit from those that do not qualify. Because there is no claim by Fictitious Town to meeting the prevailing wage/apprenticeship requirement in this case, the amount for line 4b is the full amount (\$122,825), and the amount for line 4c is \$0.

Line 5a shows computation of the credit as 6% (0.06) of the amount shown on line 4b, which is \$7,370. Line 5b is \$0

Line 6 is for credit amounts subject to \$100,000 per property limitation. As none of the chargers in this illustration exceeds the \$100,000 per property limitation, Line 6 simply carries the credit computed on Line 5a forward.

And finally, Line 7 is the total credit amount. The instructions for Line 7 describe the attachment the filer must prepare that shows the breakdown of the credit amount computation. The attachment for Line 7 is shown on the next slide.

Form 8911
Alternative Fuel Vehicle Refueling Property Credit
OMB No. 1545-0123
Attachment Reference No. 151

Lines 4b and 4c: Prevailing wage/apprenticeship No claim to meeting prevailing wage/apprenticeship requirement (\$0).

Line 6: Credit amounts subject to \$100,000 per property limitation.

Line 7: Total credit amount. Include attachment with information for elective payment election.

Lines 5a and 5b Computation of the credit amount. 6% (0.06) of \$122,825 = \$7,370.

Fictitious Town		Identifying number
Part I Total Cost of Refueling Property		00-9012345
1	Total cost of qualified alternative fuel vehicle refueling property placed in service during the tax year	122,825
Part II Credit for Business/Investment Use Part of Refueling Property		
2	Business/investment use part (see instructions)	122,825
3	Section 179 expense deduction (see instructions)	0
4a	Subtract line 3 from line 2	122,825
b	Enter any amount included on line 4a attributable to property placed in service as part of a project subject to project requirements that were not met (see instructions)	122,825
4b	Subtract line 4b from line 4a	0
4c	Subtract line 4b from line 4a	0
5a	Multiply line 4b by 6% (0.06)	7,370
5b	Multiply line 4c by 30% (0.30)	0
5c	Add lines 5a and 5b	7,370
6	Maximum business/investment use part of credit (see instructions)	7,370
7	Enter the smaller of line 5c or line 6	7,370
8	Alternative fuel vehicle refueling property credit from partnerships and S corporations (see instructions)	0
9	Business/investment use part of credit. Add lines 7 and 8. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3850, Part III, line 15.	7,370

Slide 12: Form 8911 Attachment

This slide shows the attachment for line 7. For the current (2024) version of Form 8911, the attachment is prepared by the filer and is submitted as a PDF attachment with the return.

Form 8911, Attachment for Line 7

The attachment for Form 8911, Line 7 shows the detail of credit computation.

Attachment to Form 8911

Fictitious Town
1 Main Street
Fictitious Town, NJ 08300
EIN 00-9012345

Line 7.

Facility 1:

- IRS-issued registration number: PA0012312345
- Date placed in service: May 1, 2023
- Total amounts:
 - Line 4b: 0
 - Line 4c: \$35,250
 - Line 5a: 0
 - Line 5b: \$2,115
 - Line 6: \$2,115
 - Line 7: \$2,115

Facility 2:

- IRS-issued registration number: PA0022312345
- Date placed in service: May 1, 2023
- Total amounts:
 - Line 4b: 0
 - Line 4c: \$35,250
 - Line 5a: 0
 - Line 5b: \$2,115
 - Line 6: \$2,115
 - Line 7: \$2,115

Facility 3:

- IRS-issued registration number: PA0032312345
- Date placed in service: May 15, 2023
- Total amounts:
 - Line 4b: 0
 - Line 4c: \$52,325
 - Line 5a: 0
 - Line 5b: \$3,140
 - Line 6: \$3,140
 - Line 7: \$3,140

Slide 13: Form 8936

The Fictitious Town purchased three qualified commercial clean vehicles. You'll complete only one Form 8936 (which aggregates the credits earned from each vehicle purchase) and 3 Schedules A – one for each vehicle. The Form 8936 for this example has entries only in the heading and Part V (which is used for the Section 45W qualified commercial clean vehicle credit).

I'll show you the Schedule A of Form 8936 on the next slide that computes the credit for the battery electric school bus.

Form 8936
Clean Vehicle Credits

OMB No. 1545-2132
2023
Attachment
Sequence No. 00

Department of the Treasury
Internal Revenue Service
Go to www.irs.gov/Form8936 for instructions and the latest information.

Fictitious Town
Name(s) shown on return
Identifying number
00-0012345

Part I Modified Adjusted Gross Income Amount

1a	Enter the amount from line 11 of your 2023 Form 1040, 1040-SR, or 1040-NR	1a	
b	Enter any income from Puerto Rico you excluded	1b	
c	Enter any amount from Form 2565, line 4b	1c	
d	Enter any amount from Form 2565, line 50	1d	
e	Enter any amount from Form 4063, line 15	1e	
2	Add lines 1a through 1e	2	0

Part V Credit for Qualified Commercial Clean Vehicles

16	Personal credits from Form 1040, 1040-SR, or 1040-NR (see instructions)	16	
17	Subtract line 16 from line 14. If zero or less, enter 0. Stop here. You can't claim the Part V credit.	17	
18	Enter the smaller of line 14 or the 17 here and on Schedule 3 (Form 1040), line 6m, if line 17 is smaller than line 14, see instructions	18	
19	Enter the total credit amount figured in Part V of Schedule A (Form 8936)	19	\$5,000
20	Qualified commercial clean vehicle credit from partnerships and S corporations (see instructions)	20	0
21	Add lines 19 and 20. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 990, Part III, line 1ae	21	\$5,000

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 317105 Form 8936 (2023)

Fictitious Town purchased three qualified commercial clean vehicles.

A separate Form 8936, Schedule A (next slide) must be completed for each vehicle.

Part V, Lines 19 and 21 show the aggregate total of credits reported on the three Schedules A.

Slide 14: Form 8936 Schedule A

Again, Schedule A (Form 8936) is required for each vehicle because the information for Schedule A is specific to each vehicle and the credit is computed separately for each vehicle. As shown here, the battery electric vehicle data for the school bus is entered on Form 8936 Schedule A.

Form 8936, Schedule A, Part I
Clean Vehicle Credit Amount

OMB No. 1545-2137
2023
Attachment
Sequence No. 00A

Department of the Treasury
Internal Revenue Service
Go to www.irs.gov/Form8936 for instructions and the latest information.

Fictitious Town
Name(s) shown on return
Identifying number
00-0012345

Part I Vehicle Details

1a Year 2024

1b Make IC Corporation

1c Model CE1302

2 Vehicle identification number (VIN) (see instructions) 4DR1E8E2ZR4RB1100310

3 Enter date vehicle was placed in service (MM/DD/YYYY) 08/01/2023

4 Was the vehicle used primarily outside the United States? Answer "No" if it was but an exception applies. See instructions.
 Yes. Stop here. You can't claim a credit amount for a vehicle used primarily outside the United States.
 No.

5 Does the VIN entered on line 2 belong to a new clean vehicle placed in service during the tax year? See instructions for definitions.
 Yes. Go to Part II.
 No. Go to line 6.

6 Does the VIN entered on line 2 belong to a previously owned clean vehicle acquired after 2022 and placed in service during the tax year? See instructions for definitions.
 Yes. Go to Part IV.
 No. Go to line 7.

7 Does the VIN entered on line 2 belong to a qualified commercial clean vehicle acquired after 2020 and placed in service during the tax year? See instructions for definitions.
 Yes. Go to Part V.
 No. Stop here. You can't use this schedule to figure a credit amount for a vehicle not described on line 5, 6, or 7.

Part II Credit Amount for Business/Investment Use Part of New Clean Vehicle

A separate Form 8936, Schedule A is required for each vehicle. The information for Schedule A is specific to each vehicle.

The panel at the right shows the information for the BEV (battery electric vehicle) data for the school bus. Data specific to the other vehicles would be entered in the Schedule A for each of those vehicles.

The next slide shows the Part V information for the school bus.

Slide 15: Form 8936 Schedule A, Part V (slide text differs slightly from the audio)

Line 19 captures the \$315,865 purchase price for the vehicle. That amount is reduced by any Section 179 deduction, which on the Fictitious Town return is \$0, so we carry the full purchase price to line 21.

The school bus is a fully electric vehicle, so we enter 30% of the purchase price on line 22 (which is \$94,760). However, the allowable Section 45W credit cannot exceed the difference between the purchase price and the cost of a similar internal combustion vehicle. The instructions for Form 8936 on page 3 provide links to guidance and other resources that describe how to determine the incremental cost amount for the specific type of vehicle. The amount is based upon information specific to the vehicle.

In the case of the electric school bus, the information in those resources tell us that for purposes of calculating this credit, the incremental price is \$297,500. That amount is entered on line 23. We see that the incremental cost limitation does not affect the credit computation for the school bus, so we carry \$94,760 to line 24. The Section 45W credit is subject to an overall limit of \$7,500 for a vehicle under 14,000 pounds, or \$40,000 for a larger vehicle. The electric school bus is a large vehicle, so we enter \$40,000 on line 25. The amount we computed based upon the purchase price of the bus is greater than the \$40,000 credit limitation. Therefore, the maximum allowable credit on line 26 is \$40,000.

Line 19 captures the purchase price for the vehicle.

The school bus is a fully electric vehicle, so the credit is 30% of the amount on line 19 reduced by the amount of any section 179 deduction.

Following links to guidance and information in the instructions for Form 8936 provided the incremental cost amount. The amount is based upon information specific to the vehicle.

Following the instructions for lines 24 through 26 provides the actual credit amount of \$40,000.

19	Enter the cost or other basis of the vehicle. See instructions.	19	315,865
20	Section 179 expense deduction (see instructions)	20	0
21	Subtract line 20 from line 19	21	315,865
22	Multiply line 21 by 15% (0.15) (30% (0.30) if the answer on line 18c above is "No")	22	94,760
23	Enter the incremental cost of the vehicle. See instructions.	23	297,500
24	Enter the smaller of line 22 or line 23	24	94,760
25	Maximum credit. Enter \$7,500 (\$40,000 if the vehicle's gross vehicle weight rating (GVWR) is 14,000 pounds or more)	25	40,000
26	Enter the smaller of line 24 or line 25. Include this credit amount on line 19 in Part V of Form 9900.	26	40,000

Slide 16: Form 3468, Part I, Facility Information

A separate Form 3468 is required for each clean energy investment. Fictitious Town is claiming a credit for two solar installations.

The same principles would apply for other clean energy investment properties that would be reported using other Parts of Form 3468.

This slide and the next two slides provide excerpts from one of the Fictitious Town Forms 3468. All the information provided on the Form 3468 can be seen in the full copy of the Form. The data needed to complete the Form 3468 should be available from the information and documentation provided by the seller or installer of each investment property, regardless of its type.

Form 3468 is used to compute and report several different energy investment credits. Every filer must provide information about the facility. Refer to the Instructions for Form 3468 to identify the lines in Part I that apply to your specific facility.

A separate Form 3468 is required for each solar installation.

One of the Fictitious Town's Forms 3468 is shown here.

All of the information provided on Form 3468 can be seen in the full copy of the sample return.

Part I captures information about the facility.

The data needed to complete Form 3468 was obtained from system information and documentation provided by the seller/installer of each system.

3468 Investment Credit

OMB No. 1545-0055
Attachment to Form 990, 17A

Department of the Treasury Internal Revenue Service
Go to www.irs.gov/Form3468 for instructions and the latest information.

Name: Fictitious Town
Identifying number: 00-9012345

Part I Facility Information (see instructions)

A Check this box if you have petitioned for provisional emission rates and have also received written approval from a certified third-party verifier or a letter from the IRS: Yes No

1 Description of the facility: Solar electricity generating system - 1 panel

2a IRS-issued registration number for the facility: P-00012312345

3 Location of facility, including coordinates (latitude and longitude).

a Address of the facility (if applicable): 1 Main Street, Fictitious Town, NJ

b Coordinates (if applicable): Latitude: 38.472205 Longitude: -074.826764

4 Date construction began (MM/DD/YYYY): 05/15/2023

5 Date placed in service (MM/DD/YYYY): 05/15/2023

6 Is the facility part of an expansion of an existing closed-loop biomass or open-loop biomass facility? Yes No

7 Does the project produce a net output of less than 1 megawatt (MW) alternating current (ac), or equivalent thermal energy?

a Yes

b No

c Not applicable, the facility doesn't produce electricity.

12 Enter the nameplate capacity or storage capacity.

a Solar energy property or facility nameplate capacity: 25.6 kilowatt (kW) direct current (dc)

b Small wind energy property or facility nameplate capacity: kW

c Wind energy property or facility nameplate capacity: kW

d Energy storage power capacity rating: kW, and energy storage capacity, if applicable, associated with the energy property or facility: kWh (hour)

Part I Facility Information (see instructions) (continued)

13 Enter the nameplate capacity, alternating current (ac) for all electricity generating energy properties or facilities in kW.

a Solar energy property: 18.66

b Wind energy property:

c Other:

d Not applicable.

14 Are you claiming the investment credit as a lessee based on a section 48(d) (as in effect on November 4, 1990) election? Yes No

Slide 17: Form 3468, Part VI, Section B

The Section 48 credit for various types of energy credit facilities are computed in Part VI. The solar energy credit is computed in section B of Part VI. This slide shows lines 3 and 4 from Part VI section B used for the Fictitious Town return.

Part VI is used to compute the Section 48 credit.

Section B is used to compute the credit on a solar energy facility.

Line	Description	Value
3a	Enter the basis of property using solar illumination (including electrochromic glass) or either solar energy property or solar facility placed in service during the tax year.	70,000
3b	If you checked the box in Part I, line 7a or 8b, enter 30%. If you checked the box in Part I, line 7b or 8c, enter 6%.	30 %
3c	Multiply line 3a by line 3b.	21,000
4	Add lines 3c, 3i, 3l, and 3n.	21,000

Slide 18: Form 3468, Part VI, Section N

Section N of Form 3468 is used for certain adjustments to the credit computed in other sections of Part VI. Those adjustments do not apply to the Fictitious Town investment. The amount of the credit computed in Section B is entered on Line 32, which is then included in the credits reported on Form 3800.

Part VI, Section N provides for certain allowable credit amount.

The allowable credit amount from Line 32 is included in the Section 48 credits reported on Form 3800.

Line	Description	Value
27	Add Part VI lines 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, and 26.	21,000
29a	Divide. Sum, for the tax year and all prior tax years, of all proceeds of tax-exempt bonds (within the meaning of section 100) used to finance the qualified facility.	1
30	If proceeds of tax-exempt bonds were used to finance your facility, enter the amount from line 29a. Otherwise, enter the amount from line 27.	21,000
32	Add lines 30 and 31. Report this amount on Form 3800, Part III, line 4a.	21,000

Slide 22: Form 990-T, Heading Area above Part 1 (text differs slightly from the audio)

Organizations filing Form 990-T to make an elective payment election and that have no UBTI -- including applicable entities not subject to federal income tax and not otherwise required to file any annual tax or information return -- must complete the following lines of Form 990-T:

- The heading area above Part I, except items B, C, E, J, K and L
- Part II: the lines to complete will depend upon the type of entity
- Part III, lines 6g, 7, 10 and 11
- and the Signature area

Now that the credits have been computed on their source credit forms and the information necessary for the elective payment election has been entered on Form 3800, including computation of the elective payment election amount (Form 3800, Part III, Line 6, column (i)), we are ready to complete Form 990-T.

The necessary elements in the heading area for Fictitious Town are identified within the red boxes.

The correct entry for Item G will depend upon the type of entity. Please refer to Instructions for Form 990-T for more information.

In addition, you must complete and attach Form 3800 and all forms required to compute each applicable credit.

In the Heading Area above Part I, you are required to complete all items except items B, C, E, J, K, and L.

Use the 2023 form if you are filing for calendar year 2023 or filing for a fiscal year beginning in 2023 and ending in 2024. Fill in the tax year information at the top of the form.

Generally, to determine your tax year, check the instructions for the annual tax return you are filing. Applicable entities that do not have a federal income tax filing or Form 990 filing obligation and have not previously established a taxable year by filing an annual information or income tax return (e.g., Form 990-T to report and pay tax on unrelated business taxable income) may choose to adopt a calendar year for purposes of elective pay, regardless of their fiscal year, provided they maintain adequate books and records. This applies to state and local governments, Indian tribal governments, and their agencies, including school districts, that don't file an income tax return and have not established a taxable year by filing an annual tax return.

In this example, Fictitious Town is filing Form 990-T using a calendar year (January 1 to December 31, 2023).

Most exempt organizations described in Section 501(c) will already have an established taxable year for purposes of filing their Form 990 information return. They must use that taxable year.

Churches that have never voluntarily filed Form 990 and have never filed Form 990-T to report unrelated business activities (such as certain fundraising or real estate investment activities) may not yet have an established taxable year. They can thus adopt a taxable year for purposes of making the elective payment election.

Enter the name and address of the organization. The name and address on Form 990-T should be the same as the name and address shown on other Forms 990. You'll check box A at the top left of the form if your organization has changed its address since it last filed a return.

Next, enter your employer identification number (EIN) in item D. Every organization or entity filing Form 990-T must have its own employer identification number. If the entity uses an EIN for employment tax filing purposes that is different from the EIN used for other filings, the individuals involved in the entity's various tax filings should confer to ensure that there is agreement on the appropriate EIN to use for Form 990-T.

You should check box F if your organization previously filed a Form 990-T return with the IRS for a tax year and is now filing another return for the same tax year to amend the previously filed return.

In item G, check the box to indicate your organization type. In our example, Fictitious Town is a government entity and is not described in any of the other checkboxes in Item G, so Fictitious Town checks the box for 6417(d)(1)(A) Applicable entity.

An exempt organization (including a church) should check the box for "501(c) corporation" or "501(c) trust," (depending upon how it was formed). A nonprofit corporation or unincorporated entity will select "501(c) corporation." An organization formed as a trust will select "501(c) trust." A public college or university (although a type of government agency or instrumentality) should use the "Public college/university" checkbox.

In item H, check the "Elective payment amount from Form 3800" box.

In the rare occurrence where a 501(c)(3) organization is filing a consolidated return with a 501(c)(2) title holding corporation, you will check the box in Item I. For additional information, see the 990-T instructions under "Consolidated returns."

Slide 23: Form 990-T, Parts II & III (text differs slightly from the audio)

The entries for Part II depend upon the type of entity and the checkbox selected in the heading area, Item G, as shown in this chart.

- Enter zero on lines 1 and 7 if the 501(c) corporation or public college/university checkbox is marked.
- Enter zero on line 2 and mark the checkbox for “Tax rate schedule” if the 501(c) trust, other trust, or the 6417(d)(1)(A) Applicable entity checkbox is marked.



For Part III, Line 6g, you’ll enter the total net elective payment election amount from Form 3800 Part III, line 6, column (i). See the Instructions for Form 3800 for more information.

In addition to a correctly completed Form 3800, the entry on Part III, Line 6g of Form 990-T clearly identifies the filer’s intention to make an elective payment election.

Entering the elective payment election amount from Form 3800 on any other line in Part III does not accomplish that result and is likely to delay processing of the return while the return undergoes error-correction analysis.

For line 7, enter the total amount of lines 6a through 6j (which for this return is simply the elective payment election amount from line 6g).

The credits earned are treated as a payment of tax under Internal Revenue Code Section 6417. So, for line 10, enter the amount overpaid (which is the amount of the elective payment election). And for line 11, enter the amount of line 10 you want refunded.

Form 990-T, Part III (page 2)

No entries are required in Parts I and II of Form 990-T unless the return is being filed electronically. If filing electronically, refer to the chart at the bottom of this slide.

The section of Part III that appears on page 1 of Form 990-T should be left without entries.

On page 2 (Part III, Line 6a through Line 11):

The total elective payment election amount from Form 3800, Part III, Line 6, column (i) is entered on Form 990-T, Part III, line 6g. That amount is carried to lines 7, 10 and 11.

Part II Tax Computation	
1 Organizations taxable as corporations. Multiply Part I, line 11, by 0.1% (0.5%)	1
2 Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11, from: <input checked="" type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	2
3 Proxy tax. See instructions	3
4 Other tax amounts. See instructions	4
5 Alternative minimum tax	5
6 Tax on noncompliant facility income. See instructions	6
7 Total. Add lines 3 through 6 to line 1 or 2, whichever applies	7

Part III Tax and Payments (continued)	
6a Payments: Preceding year's overpayment credited to the current year	6a
b Current year's estimated tax payments. Check if section 643(g) election applies	6b
c Tax deposited with Form 8868	6c
d Foreign organizations. Tax paid or withheld at source (see instructions)	6d
e Backup withholding (see instructions)	6e
f Credit for small employer health insurance premiums (attach Form 8941)	6f
g Elective payment election amount from Form 3800	6g 105,870
h Payment from Form 2439	6h
i Credit from Form 4136	6i
j Other (see instructions)	6j
7 Total payments. Add lines 6a through 6j	7 105,870
8 Estimated tax penalty (see instructions). Check if Form 2220 is attached	8
9 Tax due, if line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed	9 0
10 Overpayment, if line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid	10 105,870
11 Enter the amount of line 10 you want: Credited to 2024 estimated tax Refunded	11 105,870

Heading area Item G	Part II entries
6417(d)(1)(A) Applicable Entity	Lines 2 and 7 = 0 Select the Tax rate schedule check box
501(c) corporation	Lines 1 and 7 = 0
601(c) trust, 401(a) trust, or Other trust	Lines 2 and 7 = 0 Select the Tax rate schedule check box
State college/university	Lines 1 and 7 = 0

Slide 24: Signature area

Now let's discuss the signature area. We left that area blank on the Fictitious Town return; however, to satisfy requirements for a complete return the IRS can process, the signature area must be completed.

For corporations, the return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other corporate officer (such as a tax officer) authorized to sign. Receivers, trustees, or assignees must also sign and date any return filed on behalf of the organization.

The Paid preparer area of the form should be left blank if an officer of the organization completed its return. If anyone prepares the return and doesn't charge the organization, you should leave this area blank. Certain others who prepare the return should also not sign. For example, if a regular, full-time employee of the organization, such as a clerk, secretary, etc., prepares the form, you should leave this area blank.

Generally, anyone who is paid to prepare the organization's tax return must sign in this area and fill in the Paid Preparer Use Only area.

The paid preparer must complete the required preparer information and:

- Sign the return in the space provided for the preparer's signature, then
- Give a copy of the return to the organization.

Must be a designated person to sign.

Generally, anyone who is paid to prepare the organization's tax return must sign it and fill in the Paid Preparer Use Only area.

- Sign the return in the space provided.
- Give a copy of the return to the organization.

Part V Supplemental Information
Provide any additional information. See instructions.

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed

Firm's name _____ Firm's EIN _____

Firm's address _____ Phone no. _____

Form 990-T (2022)

Slide 25: Additional Resources and Publications

The following resources will help you make an elective payment and claim certain clean energy credits.

- [Inflation Reduction Act of 2022](#) - See Subtitle D, Energy Security
- [Chips and Science Act of 2022](#) - See Section 107
- [Final Regulations: Elective Payment of Applicable Credits](#)
- [Elective pay and transferability](#)
- [Publication 1635](#), Understanding Your EIN
- [Publication 5817](#), Elective Pay Overview
- [Publication 5817-A](#), Rural Electric Cooperatives
- [Publication 5817-B](#), U.S. Territorial Governments
- [Publication 5817-C](#), Alaska Native Corporations
- [Publication 5817-D](#), Tax-Exempt Organizations
- [Publication 5817-E](#), State and Local Government
- [Publication 5817-F](#), Indian Tribal Governments
- [Publication 5817-G](#), Clean Energy Tax Incentives: Elective Pay-Eligible Tax Credits
- [Credits and Deductions Under the Inflation Reduction Act of 2022](#)
- [Telephone Assistance](#)
- [Form 990-T Instructions](#)

Slide 26: Conclusion/Summary

To summarize what we've discussed, remember that if you have no UBTI and you are only claiming an Elective Payment Election, you are only required to complete the following lines on Form 990-T:

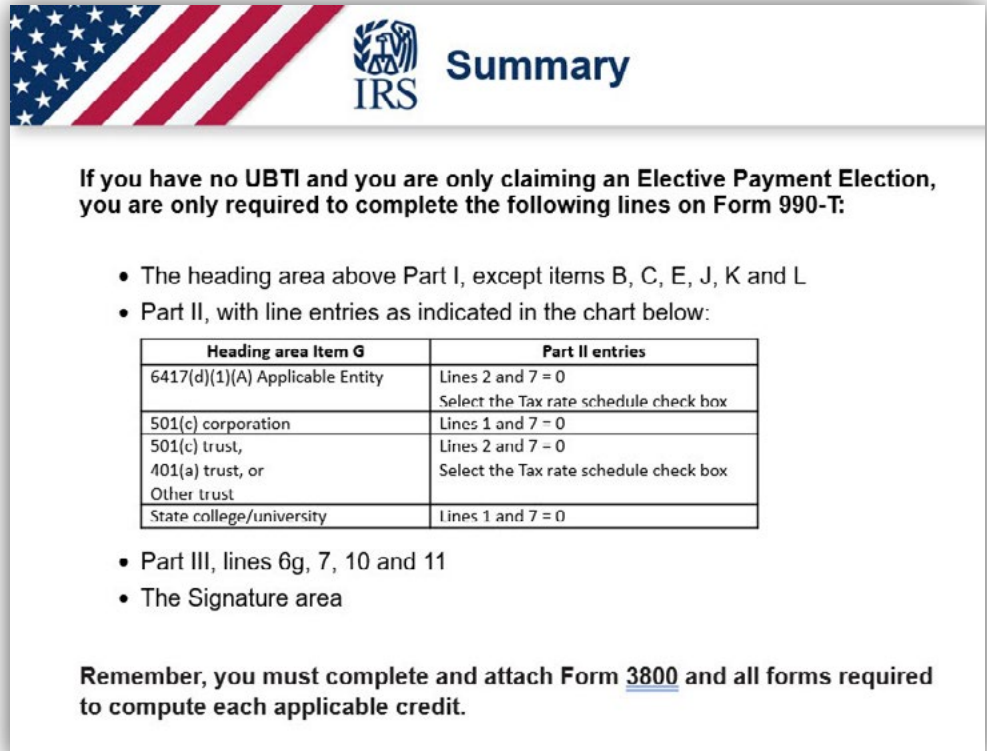
- The heading area above Part I, except items B, C, E, J, K and L
- Part II, with line entries as indicated in the chart below:

Heading area Item G	Part II entries
6417(d)(1)(A) Applicable Entity	Lines 2 and 7 = 0 Select the "Tax rate schedule" checkbox
501(c) corporation	Lines 1 and 7 = 0
501(c) trust, 401(a) trust, or other trust	Lines 2 and 7 = 0 Select the "Tax rate schedule" checkbox
State college/university	Lines 1 and 7 = 0

- Part III, lines 6g, 7, 10 and 11, and
- The Signature area

Don't forget to complete and attach Form 3800 and all forms required to compute each applicable credit.

Thank you for watching this presentation from the Tax Exempt & Government Entities division of the IRS.



The graphic features a header with the American flag on the left, the IRS logo in the center, and the word "Summary" in blue on the right. Below the header, the text reads: "If you have no UBTI and you are only claiming an Elective Payment Election, you are only required to complete the following lines on Form 990-T:" followed by a bulleted list of requirements. A table is included with the same content as the one in the previous slide. The list continues with "Part III, lines 6g, 7, 10 and 11" and "The Signature area". At the bottom, it states: "Remember, you must complete and attach Form 3800 and all forms required to compute each applicable credit."

Summary

If you have no UBTI and you are only claiming an Elective Payment Election, you are only required to complete the following lines on Form 990-T:

- The heading area above Part I, except items B, C, E, J, K and L
- Part II, with line entries as indicated in the chart below:

Heading area Item G	Part II entries
6417(d)(1)(A) Applicable Entity	Lines 2 and 7 = 0 Select the Tax rate schedule check box
501(c) corporation	Lines 1 and 7 = 0
501(c) trust, 401(a) trust, or Other trust	Lines 2 and 7 = 0 Select the Tax rate schedule check box
State college/university	Lines 1 and 7 = 0

- Part III, lines 6g, 7, 10 and 11
- The Signature area

Remember, you must complete and attach Form [3800](#) and all forms required to compute each applicable credit.