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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Form **8860**

Department of the Treasury
Internal Revenue Service

Qualified Zone Academy Bond Credit

► **Attach to the corporation's tax return.**
► **See instructions on back.**

OMB No. 1545-1606

2002

Name

Employer identification number

Draft as of 5/15/2002

Part I Tentative Credit

	(a) Bond issuer's name, city or town, and state	(b) Month and year bond issued	(c) Outstanding principal amount of bond	(d) Credit rate	(e) Credit ((c) x (d))
1					

2	**Tentative qualified zone academy bond credit.** Add all amounts in column (e). **Caution:** *You must include this amount in the corporation's gross income* ***before*** *proceeding to line 3 below*	2	

Part II Tax Liability Limit

3	Regular tax before credits. Enter the amount from Form 1120, Schedule J, line 3, or the comparable line of the corporation's return			3	
4	Alternative minimum tax. Enter the amount from Form 4626, line 15			4	
5	Add line 3 and line 4			5	
6a	Foreign tax credit (Form 1118, Sch. B, Part III, line 12)	6a			
b	Possessions credit (Form 5735)	6b			
c	Credit for fuel from a nonconventional source	6c			
d	Qualified electric vehicle credit (Form 8834, line 20)	6d			
e	General business credit (see instructions).	6e			
f	Credit for prior year minimum tax (Form 8827, line 8).	6f			
g	Add lines 6a through 6f.			6g	
7	Net income tax. Subtract line 6g from line 5.			7	
8	**Qualified zone academy bond credit.** Enter the **smaller** of line 2 or line 7 here and on Form 1120, Schedule J, line 6f, or the comparable line of the corporation's return. **Caution:** *If line 8 is* ***smaller*** *than line 2, the corporation generally should deduct the unallowed credit in figuring its taxable income for this tax year. Because this deduction will affect the tax liability limit, refigure the unallowed credit until it equals the deduction. However, the corporation may be able to deduct the unallowed credit attributable to bonds sold after September 25, 2000, in the next tax year. See the instructions*			8	