

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1040.

Name(s) as shown on Form 1040

Your social security number

Enter the address of your principal residence on which the credit is claimed if it is different from the address shown on Form 1040.

**Part I** Fill in this part to figure the residential energy credit for 1986.

1	Enter your energy credit carryforward from a previous tax year but only if it is \$10 or more. (This should be the amount on line 32 of your 1985 Form 5695. <b>Caution</b> —You do not have a carryforward if your 1985 Form 1040, line 50, shows an amount of more than zero.) . . . . .	1		
2	Enter the amount of tax shown on Form 1040, line 40 . . . . .	2		
3	Add lines 41, 42, and 43 from Form 1040 and enter the total . . . . .	3		
4	Subtract line 3 from line 2. If zero or less, enter zero . . . . .	4		
5	Residential energy credit. Enter the amount shown on line 1 or line 4, whichever is less. Also, add this amount to the total on Form 1040, line 44. Write "REC" and show the amount on the dotted line next to that total.	5		

**Part II** Fill in this part to figure your carryforward to 1987 (complete only if line 5 is less than line 1).

6	Enter amount from Part I, line 1 . . . . .	6		
7	Enter amount from Part I, line 5 . . . . .	7		
8	Credit carryforward to 1987 (subtract line 7 from line 6). (If less than \$10, you do not have a carryforward to 1987.) . . . . .	8		

**General Instructions**

**Paperwork Reduction Act Notice.**—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

**A Change You Should Note.**—1985 was the last year that expenditures made for

energy saving items qualified for the residential energy credit. No carryforward will be allowed for taxable years beginning after December 31, 1987.

**Purpose of Form.**—Use this form to claim your residential energy credit carryforward from 1985 to 1986. If your energy credit is more than your tax minus lines 41, 42, and 43 of Form 1040, you may carryforward the excess energy credit to 1987.

**Specific Instructions**

**Part I, Line 1.**—Generally, your energy credit carryforward will be computed on your prior year Form 5695. **Exception**—If the alternative minimum tax applied, see **Publication 909**, Alternative Minimum Tax.

**Part II.**—Complete this part only if line 5 is less than line 1. You can carryforward the amount entered on line 8 to 1987, if it is \$10 or more.