

**Handout #1**  
**Chapter I, Fall Book 2023**

**Practical Tax Planning With the Capital Gains and Investment Income Tax Rates**

Question: Can you make \$100,000 or more and pay no income taxes! Yes!

- A. It's entirely possible to make more than \$100,000 and pay no federal income tax. This is completely legal and the tax code seems to encourage you to use this tax planning based on the capital gains and investment income tax rates table for 2023.
- B. How to do it? To take advantage of this strategy, you'll be **using two key elements**:
1. The tax rate on **long-term capital gains**, and
  2. **Qualified dividends** but also your **standard deduction** on your income taxes.

**Facts:** Assume Jerry has earnings of \$116,950, but it could be more, that is free of federal income taxes.

Jerry is able to recognize as much as \$89,250 in qualified investment income for married filing jointly with no income. Also, Jerry is **able** to add \$27,700 in income that is **tax-free** from his standard deduction, therefore allowing at least \$116,950.

**Example:** There is **0 percent tax rate** on long-term investment income **up to \$89,250** for married filing jointly on investment income – that is income from long-term capital gains and qualified dividends.

**Long Term Capital Gains and Qualified Dividends - Tax Table for 2023**

<b>FILING STATUS</b>	<b>0% RATE</b>	<b>15% RATE</b>	<b>20% RATE</b>
Single - Up to . . . . .	\$44,625	\$44,626 – \$492,300	Over \$492,300
Married filing jointly . . . . .	Up to \$89,250	\$89,251 – \$553,850	Over \$553,850
Married filing separately . . . . .	Up to \$44,625	\$44,626 – \$276,900	Over \$276,900
Head of household . . . . .	Up to \$59,750	\$59,751 – \$523,050	Over \$523,050

**Practitioner's Alert:** If you're married filing jointly, you fall into the 0 percent bracket if your taxable income – defined as your adjusted gross income minus your deductions for AGI, either standard or itemized – is less than \$89,250 in 2023. If you file as single, you'll need to reach \$44,625 for the special bracket.

Be careful that your investment income meets the requirements for **qualified dividends** and **long-term capital gains**.

- C. If there's a catch, it's this: Every dollar of taxable ordinary income that you earn eliminates a dollar of this investment income that could be subject to **no taxes**.

If wages from a job, for example, pass the 0 percent level of taxable income, your long-term capital gains and qualified dividends will bump up to 15 percent or even 20 percent, if you earn enough. That's where the standard (or itemized) deduction comes in, reducing your ordinary income as much as possible.

D. The **standard deduction** on your income taxes

1. The **second key part** of the strategy here is to take full advantage of your standard deduction. By way of the deduction, all taxpayers get the first portion of their income tax-free. And that amount depends on your tax filing status: single, married filing jointly and others.
2. **Standard deduction** amounts for 2023

Filing status	2023 standard deduction amount
Single	\$13,850
Head of household	\$20,800
Married filing jointly	\$27,700
Qualifying widow or widower	\$27,700
Married filing separately	\$13,850

***Practitioner's Alert:*** So those with a status of married filing jointly receive a standard deduction of \$27,700, while those with a single status get a standard deduction of \$13,850. The standard deduction **can reduce any kind of income**, such as investment income or earned income (money from a job).

- E. It's worth noting, however, that if you earn any income from labor (not investments), then you still must pay payroll taxes. So while you can avoid income taxes, you won't be able to escape payroll taxes on earned income.
- F. Add up the \$27,700 standard deduction and the \$89,250 of protected investment income, and a married couple could make \$116,950 and pay a zero of income taxes. Even single filers could claim \$58,475 tax-free using the same strategy. Those amounts are adjusted for inflation each year.

G. **Additional Ways** to Facilitate Tax-Free Income

1. Making \$116,950 in tax-free income is the beginning.
2. The **key to remember** is that your **taxable income** – again, that's your adjusted gross income minus deductions – stays below the key thresholds. That definition gives you **two more levers** to pull – **adjustments to income and deductions**.

H. Here are **five more strategies** that you can use to get even more tax-free income:

1. Take full advantage of 401(k) or 403(b) plans.

An employer's retirement plan such as a traditional 401(k) or traditional 403(b) is one of the easiest and biggest ways to **reduce your taxable income**. You can contribute as much as \$22,500 on a pre-tax basis in 2023, and a spouse could add a similar amount, allowing you to reduce your taxable income by as much as \$45,000 annually. Plus, many companies provide an **employer match**, offering you **more free income** for saving for retirement.

2. Move to a **tax-free state**.

The key strategies so far have been about **sheltering income** from federal taxes, but **states don't have the same rules**. There are **nine states** with no income tax currently – which can drastically reduce your tax burden. Americans may be able to avoid taxes on retirement income in 13 states.

3. Contribute to a **health savings account**.

A health savings account (HSA) is one of the adjustments on your tax return that help reduce your taxable income. An HSA offers a triple tax advantage, including **reducing your taxable income** today, up to \$3,850 for individuals and \$7,700 for families if you have a qualifying health plan.

4. **Itemize** your deductions.

While the standard deduction offers a fixed dollar amount that reduces your taxable income, you may be able to deduct more if you have expenses such as mortgage interest, state and local taxes and charitable contributions, among many others. The amount could vary depending on the level of your expenses here.

5. Use **tax-loss harvesting**.

With tax-loss harvesting, you can use **losses to offset any amount of capital gains dollar for dollar** and then write off a loss of up to \$3,000 annually from your income. That's useful if your income is too high at year-end to reduce your taxable income from claiming all the adjustments and deductions that you're entitled to and otherwise optimizing your income. There are many other ways to take advantage of adjustments and deductions.

H. Examples of Strategies

1. Jerry can contribute to a **traditional IRA** if qualifying. For those with an employer's retirement plan, that level is just \$116,000 in modified adjusted gross income for married filing jointly in 2023. That's **another \$6,500 per person** tax-free, if you're under age 50, or **\$7,500, if older**.
2. Max-out Employer's Retirement Plan and HSA



Also Planning from the baseline of \$116,950, a married couple under age 50 could add on another \$52,700 in tax-free income by maxing out an employer's retirement plan and an HSA alone. If you itemize deductions, it's possible to get an incremental \$20,000 or more from that deduction, pushing a couple's **total tax-free income toward a whopping \$200,000.**

3. Remember, you must have assets that produce **long-term capital gains** and **qualified dividends** which allow you to recognize investment income at a 0 percent rate.
  - a. This type of income allows you to **contribute more to retirement accounts** from earned income and pay for living expenses.
  - b. Where you don't have enough assets to work with, you can still take advantage of many of these tax-saving adjustments and deductions to reduce your taxable income.

#### I. Summary

Yes, it is possible to make more than \$100,000 and pay no income taxes, if you start with the proper assets. The tax code favors income from **investments over income from work**, but you can still make the tax code work for you even without being a trust fund baby.



**Handout #2 - Chapter 6**  
**Happy Delivery Services, LLC (Sole Proprietorship)**

**Problems for Form 8936, Clean Vehicle Credit and Qualified Commercial Clean Vehicle Credit**

- A. Assume the taxpayer, a business, has acquired a new clean vehicle weighting under 14,000 lbs (GVWR) at a cost of \$50,000 in 2023 for business use.

**Form 8936, Schedule A Clean Vehicle Credit Amount**

On Form 8936, Schedule A, Part II, the amount for Business/Investment would reflect 100% use with a credit of \$7,500 on Lines 9 and 11, and then entered on Form 8936, Clean Vehicle Credits in Part II Lines 6 and 8.

Finally, the \$7500 would be entered on Form 3800, Part III, Line 1.

- B. Assume that the business use was only 80%. What would the credit amount be? (20% Personal Use)

**Form 8936, Schedule A, Part II, Clean Vehicle Credit Amount**

On Form 8936, Schedule A, Part II, Line 9 would reflect \$7,500, the same amount as in A above, but Line 10 would reflect only 80% reducing the total on Line 11 to \$6,000.

The credit of \$1,500 from Schedule A, Part II, Line 12 would be entered on Lines 9, 12 and 13 of Part III of Form 8936.

The final entry to obtain the \$1,500 credit would be an entry on Form 1040, Schedule 3, Line 6f.

- C. Form 8936, Schedule A, Part IV, Credit Amount for Previously Owned Clean Vehicle.

Assume the cost of the used clean vehicle was \$24,000. That amount would be entered on Schedule A, Part IV, Line 14, and then multiplied by 30% resulting in a \$7,200 credit reflected on Line 15. This credit is capped at \$4,000 on Line 16 of Schedule A, Part IV. Therefore, the credit on Line 17 is reduced to \$4000.

The credit of \$4,000 is entered on Lines 14 and 18 of Part II of Form 8936, Clean Vehicle Credits. Finally, the credit of \$4,000 is entered on Form 1040, Schedule 3, Line 6.

- D. Form 8936, Schedule A, Part V, Credit Amount for Qualified Commercial Clean Vehicles

Assume the business paid \$80,000 for a qualified clean vehicle (100% business use) weighing over 14,000 lbs (GVWR).

The \$80,000 is entered on Lines 19 and 21 of Schedule A, Part V and is then multiplied by 30% resulting in an amount of 24,000 to be entered on Lines 22, 24 and 26.

The \$24,000 from Line 26 is then entered on Lines 19 and 21 in Part V, of Form 8936.

Finally, the \$24,000 is entered on Form 3800, Part III, 1aa.

Entries on Form 3800 - Business

1. Part II, Line 8 on Form 8936 - Form 3800, Part III, Line 1 - \$7,500
2. Part V, Line 21 on Form 8936 - Form 3800, Part III, Line 1aa - \$24,000

Entries on Schedule III, Form 1040

1. Part III, Form 8936 - Schedule 3, Line 6f - \$1,500
2. Part IV, Form 8936 - Schedule 3, Line 6m - \$4000

**Note:** For the Personal Tax Credits Calculation, in scenarios 1 and 2 above, assume MFJ with AGI of \$149,000.

## Handout #3

### Chapter 6

#### Jerry Happy Form 5695 Example

#### Total annual cap

The total annual cap to the credit is \$1,200 per year. This \$1,200 cap applies to almost every type of improvement that qualifies for the credit (e.g., windows, door, insulation, air conditioners, furnaces, panel upgrades, and home energy audits).

**Example 1:** In 2023, a homeowner spends \$2,500 on Energy Star Most-Efficient Windows, \$700 on one Energy Star door, \$900 on another Energy Star door, and \$5,000 to upgrade home insulation, and a new heat pump is installed for \$6,000. The tax credit is calculated as follows:

#### Windows

Total window cost	\$2,500
Multiply total cost by 30%	\$750
Tentative credit for windows: Lesser of 30% of cost or \$600	\$600

#### Doors

Total cost of first door	\$700
Multiply total cost by 30%	\$210
Tentative credit for first door: Lesser of 30% of cost or \$250	\$210
Total cost of second door	\$900
Multiply total cost by 30%	\$270
Tentative credit for first door: Lesser of 30% of cost or \$250	\$250
Tentative credit for all door before limit	\$460
Tentative credit for all doors: Lesser of sum of credit for all doors or \$500	\$460

#### Insulation

Total cost of insulation	\$5,000
Multiply total cost by 30%	\$1,500
Tentative credit for insulation:	\$1,200

#### Total credit

Sum of credit for windows, doors, and insulation before limit	\$2,260
Total credit: Lesser of credit before limit or \$1,200	\$1,200

Because it's an annual limit, a larger credit can sometimes be achieved if homeowner breaks up a project up over multiple years.



The homeowner also spends \$6,000 to install a new heat pump. The tax credit is calculated as follows:

Heat pump	
Total cost of heat pump	\$6,000
Multiply total cost by 30%	\$1,800
Credit for heat pump: Lesser of 30% of cost of \$2,000	<b>\$1,800</b>

The heat pump exception - The \$1,200 annual limit and the \$600 residential energy property limit don't apply to heat pumps; instead, heat pumps get their own annual credit cap of \$2,000. So, you could spend up to \$6,667 on a new heat pump in a given year and still get the full credit, since  $30\% \times \$6,667 = \$2,000$ . (This exception applies to biomass stoves and boilers, too.)

**Example #2:** Assume the same facts as above, except the homeowner installs the windows and doors in 2023 and the insulation in 2024. In this case, the total credit for the project is \$2,260 versus only \$1,200 in Example 1.

#### **Tax Year 2023**

Windows	
Total window cost	\$2,500
Multiply total cost by 30%	\$750
Tentative credit for windows: Lesser of 30% of cost or \$600	<b>\$600</b>
Doors	
Total cost of first door	\$700
Multiply total cost by 30%	\$210
Tentative credit for first door: Lesser of 30% of cost or \$250	<b>\$210</b>
Total cost of second door	\$900
Multiply total cost by 30%	\$270
Tentative credit for first door: Lesser of 30% of cost or \$250	<b>\$250</b>
Credit for all doors before limit	\$460
Tentative credit for all doors: Lesser of sum of credit for all doors or \$500	<b>\$460</b>
Total credit	
Sum of credit for windows and doors before limit	\$1,060
Total 2023 credit: Lesser of credit before limit or \$1,200	<b>\$1,060</b>

#### **Tax Year 2024**

Insulation	
Total cost of insulation	\$5,000
Tentative credit for insulation: Multiply total cost by 30%	<b>\$1,500</b>
Total 2024 credit: Lesser of credit before limit or \$1,200	<b><u>\$1,200</u></b>

**Clean Vehicle Credits**

OMB No. 1545-2137

Department of the Treasury  
Internal Revenue Service

Attach to your tax return.

Go to [www.irs.gov/Form8936](http://www.irs.gov/Form8936) for instructions and the latest information.**2023**  
Attachment  
Sequence No. **69**

Name(s) shown on return

Identifying number

**HAPPY DELIVERY SERVICES, LLC - SCHEDULE C**

- Notes:**
- Complete a separate Schedule A (Form 8936) for each clean vehicle placed in service during the tax year.
  - Individuals completing Parts II, III, or IV, must also complete Part I. See "Note" text below.

**Part I Modified Adjusted Gross Income Amount**

<b>1a</b>	Enter the amount from line 11 of your 2023 Form 1040, 1040-SR, or 1040-NR	<b>1a</b>		
<b>b</b>	Enter any income from Puerto Rico you excluded	<b>1b</b>		
<b>c</b>	Enter any amount from Form 2555, line 45	<b>1c</b>		
<b>d</b>	Enter any amount from Form 2555, line 50	<b>1d</b>		
<b>e</b>	Enter any amount from Form 4563, line 15	<b>1e</b>		
<b>2</b>	Add lines 1a through 1e			<b>2</b>
<b>3a</b>	Enter the amount from line 11 of your 2022 Form 1040, 1040-SR, or 1040-NR	<b>3a</b>		
<b>b</b>	Enter any income from Puerto Rico you excluded	<b>3b</b>		
<b>c</b>	Enter any amount from Form 2555, line 45	<b>3c</b>		
<b>d</b>	Enter any amount from Form 2555, line 50	<b>3d</b>		
<b>e</b>	Enter any amount from Form 4563, line 15	<b>3e</b>		
<b>4</b>	Add lines 3a through 3e			<b>4</b>
<b>5</b>	Enter the <b>smaller</b> of line 2 or line 4			<b>5</b>

**Part II Credit for Business/Investment Use Part of New Clean Vehicles**

**Note:** Individuals can't claim a credit on line 6 if Part I, line 5, is more than \$150,000 (\$300,000 if married filing jointly or a qualifying surviving spouse; \$225,000 if head of household).

<b>6</b>	Enter the total credit amount figured in Part II of Schedule(s) A (Form 8936)	<b>6</b>	<b>7,500</b>	<b>7,500</b>
<b>7</b>	New clean vehicle credit from partnerships and S corporations (see instructions)	<b>7</b>		<b>80%</b>
<b>8</b>	<b>Business/investment use part of credit.</b> Add lines 6 and 7. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1y	<b>8</b>	<b>7,500</b>	<b>6,000</b>

**Part III Credit for Personal Use Part of New Clean Vehicles**

**Note:** You can't claim the Part III credit if Part I, line 5, is more than \$150,000 (\$300,000 if married filing jointly or a qualifying surviving spouse; \$225,000 if head of household).

<b>9</b>	Enter the total credit amount figured in Part III of Schedule(s) A (Form 8936)	<b>9</b>		<b>1,500</b>
<b>10</b>	Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18	<b>10</b>		
<b>11</b>	Personal credits from Form 1040, 1040-SR, or 1040-NR (see instructions)	<b>11</b>		
<b>12</b>	Subtract line 11 from line 10. If zero or less, enter -0- and stop here. You can't claim the personal use part of the credit	<b>12</b>		<b>1,500</b>
<b>13</b>	<b>Personal use part of credit.</b> Enter the <b>smaller</b> of line 9 or line 12 here and on Schedule 3 (Form 1040), line 6f. If line 12 is smaller than line 9, see instructions	<b>13</b>		<b>1,500</b>

**Part IV Credit for Previously Owned Clean Vehicles**

**Note:** You can't claim the Part IV credit if Part I, line 5, is more than \$75,000 (\$150,000 if married filing jointly or a qualifying surviving spouse; \$112,500 if head of household).

<b>14</b>	Enter the total credit amount figured in Part IV of Schedule(s) A (Form 8936)	<b>14</b>		<b>4,000</b>
<b>15</b>	Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 18	<b>15</b>		
<b>16</b>	Personal credits from Form 1040, 1040-SR, or 1040-NR (see instructions)	<b>16</b>		
<b>17</b>	Subtract line 16 from line 15. If zero or less, enter -0- and stop here. You can't claim the Part IV credit	<b>17</b>		
<b>18</b>	Enter the <b>smaller</b> of line 14 or line 17 here and on Schedule 3 (Form 1040), line 6m. If line 17 is smaller than line 14, see instructions	<b>18</b>		<b>4,000</b>

**Part V Credit for Qualified Commercial Clean Vehicles**

<b>19</b>	Enter the total credit amount figured in Part V of Schedule(s) A (Form 8936)	<b>19</b>		<b>24,000</b>
<b>20</b>	Qualified commercial clean vehicle credit from partnerships and S corporations (see instructions)	<b>20</b>		
<b>21</b>	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 3800, Part III, line 1aa	<b>21</b>		<b>24,000</b>

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 37751E

Form **8936** (2023)



**SCHEDULE A  
(Form 8936)**

Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return

**Clean Vehicle Credit Amount**

*File a separate Schedule A (Form 8936) for each clean vehicle placed in service*  
**Attach to your tax return.**

**Go to [www.irs.gov/Form8936](http://www.irs.gov/Form8936) for instructions and the latest information.**

OMB No. 1545-2137

**2023**

Attachment  
Sequence No. **69A**

**HAPPY DELIVERY SERVICES LLC - SCHEDULE C**

Identifying number

**Part I Vehicle Details**

- 1a** Year . . . . . **2023**
- b** Make . . . . . **FORD**
- c** Model . . . . . **BRONCO**
- 2** Vehicle identification number (VIN) (see instructions) . . . . . **6 7 8 4 6 0 0 0 7 9 1 0 1 2 1 4 4**
- 3** Enter date vehicle was placed in service (MM/DD/YYYY) . . . . .
- 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 2022 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**

- 8** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.  
☒ **Yes.**  
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.
- |  |           |              |              |
|--|-----------|--------------|--------------|
| <b>9</b> Tentative credit amount (see instructions) . . . . .  | <b>9</b>  | <b>7,500</b> | <b>7,500</b> |
| <b>10</b> Business/investment use percentage (see instructions) . . . . .  | <b>10</b> |              | <b>80 %</b>  |
| <b>11</b> Multiply line 9 by line 10. Include this credit amount on line 6 in Part II of Form 8936. If you entered 100% on line 10, stop here. Otherwise, go to Part III below . . . . . | <b>11</b> | <b>7,500</b> | <b>6,000</b> |

**Part III Credit Amount for Personal Use Part of New Clean Vehicle**

- |  |           |          |              |
|--|-----------|----------|--------------|
| <b>12</b> Subtract line 11 from line 9 in Part II. Stop here and include this credit amount on line 9 in Part III of Form 8936 . . . . . | <b>12</b> | <b>0</b> | <b>1,500</b> |
|--|-----------|----------|--------------|

**For Paperwork Reduction Act Notice, see the Form 8936 instructions.**

Cat. No. 93602W

**Schedule A (Form 8936) 2023**



**Part IV Credit Amount for Previously Owned Clean Vehicle**

- 13a** Is the sales price of the vehicle more than \$25,000?  
☐ **Yes. Stop here.** The vehicle doesn't qualify for the Part IV credit.  
☒ **No.**
- b** Did you acquire the vehicle for use and not for resale? Answer "No" if you are leasing the vehicle from another person.  
☒ **Yes.**  
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or acquired for resale.
- c** Can you be claimed as a dependent on another person's tax return, such as your parent's return?  
☐ **Yes. Stop here.** You can't claim a credit amount if you can be claimed as a dependent.  
☒ **No.**
- d** Is the vehicle a qualified fuel cell motor vehicle? See instructions.  
☐ **Yes.**  
☒ **No.**

<b>14</b>	Enter the sales price of the vehicle . . . . .	<b>14</b>	<b>24,000</b>
<b>15</b>	Multiply line 14 by 30% (0.30) . . . . .	<b>15</b>	<b>7,200</b>
<b>16</b>	Maximum vehicle credit amount . . . . .	<b>16</b>	<b>\$4,000</b>
<b>17</b>	Enter the smaller of line 15 or line 16. Stop here and include this credit amount on line 14 in Part IV of Form 8936 . . . . .	<b>17</b>	<b>4,000</b>

**Part V Credit Amount for Qualified Commercial Clean Vehicle**

- 18a** Is the vehicle of a character subject to the allowance for depreciation? Answer "Yes" if the exception for certain tax-exempt entities discussed in the instructions applies.  
☐ **Yes.**  
☐ **No. Stop here.** The vehicle is not a qualified commercial clean vehicle unless the exception applies.
- b** Did you acquire the vehicle for use or to lease to others, and not for resale? Answer "No" if you are leasing the vehicle from another person.  
☐ **Yes.**  
☐ **No. Stop here.** You can't claim a credit amount for a vehicle you didn't acquire for use or to lease to others, or acquired for resale.
- c** Is the vehicle also powered by gas or diesel? See instructions.  
☐ **Yes.**  
☐ **No.**

<b>19</b>	Enter the cost or other basis of the vehicle. See instructions . . . . .	<b>19</b>	<b>80,000</b>
<b>20</b>	Section 179 expense deduction (see instructions) . . . . .	<b>20</b>	<b>0</b>
<b>21</b>	Subtract line 20 from line 19 . . . . .	<b>21</b>	<b>80,000</b>
<b>22</b>	Multiply line 21 by 15% (0.15) [30% (0.30) if the answer on line 18c above is "No"] . . . . .	<b>22</b>	<b>24,000</b>
<b>23</b>	Enter the incremental cost of the vehicle. See instructions . . . . .	<b>23</b>	
<b>24</b>	Enter the smaller of line 22 or line 23 . . . . .	<b>24</b>	<b>24,000</b>
<b>25</b>	<b>Maximum credit.</b> Enter \$7,500 (\$40,000 if the vehicle's gross vehicle weight rating (GVWR) is 14,000 pounds or more) . . . . .	<b>25</b>	<b>40,000</b>
<b>26</b>	Enter the smaller of line 24 or line 25. Include this credit amount on line 19 in Part V of Form 8936 . . . . .	<b>26</b>	<b>24,000</b>

**SCHEDULE 3**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Additional Credits and Payments**

Attach to Form 1040, 1040-SR, or 1040-NR.  
Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2023**

Attachment  
Sequence No. **03**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

Your social security number

**Part I Nonrefundable Credits**

<b>1</b>	Foreign tax credit. Attach Form 1116 if required . . . . .	<b>1</b>	
<b>2</b>	Credit for child and dependent care expenses from Form 2441, line 11. Attach Form 2441 . . . . .	<b>2</b>	
<b>3</b>	Education credits from Form 8863, line 19 . . . . .	<b>3</b>	
<b>4</b>	Retirement savings contributions credit. Attach Form 8880 . . . . .	<b>4</b>	
<b>5a</b>	Residential clean energy credit from Form 5695, line 15 . . . . .	<b>5a</b>	
<b>5b</b>	Energy efficient home improvement credit from Form 5695, line 32 . . . . .	<b>5b</b>	3,000
<b>6</b>	Other nonrefundable credits:		
<b>a</b>	General business credit. Attach Form 3800 . . . . .	<b>6a</b>	31,500
<b>b</b>	Credit for prior year minimum tax. Attach Form 8801 . . . . .	<b>6b</b>	
<b>c</b>	Adoption credit. Attach Form 8839 . . . . .	<b>6c</b>	
<b>d</b>	Credit for the elderly or disabled. Attach Schedule R . . . . .	<b>6d</b>	
<b>e</b>	Reserved for future use . . . . .	<b>6e</b>	
<b>f</b>	Clean vehicle credit. Attach Form 8936 . . . . .	<b>6f</b>	1,500
<b>g</b>	Mortgage interest credit. Attach Form 8396 . . . . .	<b>6g</b>	
<b>h</b>	District of Columbia first-time homebuyer credit. Attach Form 8859 . . . . .	<b>6h</b>	
<b>i</b>	Qualified electric vehicle credit. Attach Form 8834 . . . . .	<b>6i</b>	
<b>j</b>	Alternative fuel vehicle refueling property credit. Attach Form 8911 . . . . .	<b>6j</b>	
<b>k</b>	Credit to holders of tax credit bonds. Attach Form 8912 . . . . .	<b>6k</b>	
<b>l</b>	Amount on Form 8978, line 14. See instructions . . . . .	<b>6l</b>	
<b>m</b>	Credit for previously owned clean vehicles. Attach Form 8936 . . . . .	<b>6m</b>	4,000
<b>z</b>	Other nonrefundable credits. List type and amount: _____	<b>6z</b>	
<b>7</b>	Total other nonrefundable credits. Add lines 6a through 6z . . . . .	<b>7</b>	37,000
<b>8</b>	Add lines 1 through 4, 5a, 5b, and 7. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 20 . . . . .	<b>8</b>	40,000

(continued on page 2)

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71480G

Schedule 3 (Form 1040) 2023

**Part II Other Payments and Refundable Credits**

<b>9</b>	Net premium tax credit. Attach Form 8962 . . . . .		<b>9</b>	
<b>10</b>	Amount paid with request for extension to file (see instructions) . . . . .		<b>10</b>	
<b>11</b>	Excess social security and tier 1 RRTA tax withheld . . . . .		<b>11</b>	
<b>12</b>	Credit for federal tax on fuels. Attach Form 4136 . . . . .		<b>12</b>	
<b>13</b>	Other payments or refundable credits:			
<b>a</b>	Form 2439 . . . . .	<b>13a</b>		
<b>b</b>	Credit for repayment of amounts included in income from earlier years . . . . .	<b>13b</b>		
<b>c</b>	Elective payment election amount from Form 3800, Part III, line 6, column (i) . . . . .	<b>13c</b>		
<b>d</b>	Deferred amount of net 965 tax liability (see instructions) . . . . .	<b>13d</b>		
<b>z</b>	Other payments or refundable credits. List type and amount:	<b>13z</b>		
<b>14</b>	Total other payments or refundable credits. Add lines 13a through 13z . . . . .		<b>14</b>	
<b>15</b>	Add lines 9 through 12 and 14. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 31 . . . . .		<b>15</b>	

Schedule 3 (Form 1040) 2023



Form **3800**Department of the Treasury  
Internal Revenue Service**General Business Credit**Go to [www.irs.gov/Form3800](http://www.irs.gov/Form3800) for instructions and the latest information.  
You must include all pages of Form 3800 with your return.

OMB No. 1545-0895

**2023**Attachment  
Sequence No. **22**

Name(s) shown on return

**HAPPY DELIVERY SERVICES LLC**

Identifying number

- A Corporate Alternative Minimum Tax (CAMT) and Base Erosion Anti-Abuse Tax (BEAT).** Are you both (a) an "applicable corporation" within the meaning of section 59(k)(1) for the CAMT, and (b) an "applicable taxpayer" within the meaning of section 59A(e) for the BEAT? See instructions . . . . . ☐ Yes ☒ No

**Part I Current Year Credit for Credits Not Allowed Against Tentative Minimum Tax (TMT)**  
Go to Part III before Parts I and II. See instructions.

<b>1</b>	Non-passive credits from Part III, line 2: combine column (e) with non-passive amounts from column (g). See instructions . . . . .	<b>1</b>	<b>31,500</b>
<b>2</b>	Passive credits from Part III, line 2: combine column (f) with passive amounts in column (g). See instructions . . . . .	<b>2</b>	
<b>3</b>	Enter the applicable passive activity credits allowed for 2023. See instructions . . . . .	<b>3</b>	
<b>4</b>	Carryforward of general business credit to 2023. See instructions for statement to attach . . . . .	<b>4</b>	
	Check this box if the carryforward was changed or revised from the original reported amount . . . . . <input type="checkbox"/>	<b>5</b>	
<b>5</b>	Carryback of general business credit from 2024. See instructions . . . . .	<b>6</b>	<b>31,500</b>
<b>6</b>	Add lines 1, 3, 4, and 5 . . . . .		

**Part II Allowable Credit**

<b>7</b>	Regular tax before credits: <ul style="list-style-type: none"><li>• Individuals. Enter the sum of the amounts from Form 1040, 1040-SR, or 1040-NR, line 16; and Schedule 2 (Form 1040), line 2.</li><li>• Corporations. Enter the amount from Form 1120, Schedule J, 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, plus any Form 9978 amount included on line 1d; or the amount from the applicable line of your return.</li></ul>	<b>7</b>	<b>38,000</b>
<b>8</b>	Alternative minimum tax: <ul style="list-style-type: none"><li>• Individuals. Enter the amount from Form 6251, line 11.</li><li>• Corporations. Enter the amount from Form 4626, Part II, line 13.</li><li>• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54.</li></ul>	<b>8</b>	<b>0</b>
<b>9</b>	Add lines 7 and 8 . . . . .	<b>9</b>	<b>38,000</b>
<b>10a</b>	Foreign tax credit . . . . .	<b>10a</b>	<b>0</b>
<b>b</b>	Certain allowable credits (see instructions) . . . . .	<b>10b</b>	
<b>c</b>	Add lines 10a and 10b . . . . .	<b>10c</b>	<b>0</b>
<b>11</b>	<b>Net income tax.</b> Subtract line 10c from line 9. If zero, skip lines 12 through 15 and enter -0- on line 16 . . . . .	<b>11</b>	<b>38,000</b>
<b>12</b>	<b>Net regular tax.</b> Subtract line 10c from line 7. If zero or less, enter -0- . . . . .	<b>12</b>	<b>38,000</b>
<b>13</b>	Enter 25% (0.25) of the excess, if any, of line 12 (line 11 for corporations) over \$25,000. See instructions . . . . .	<b>13</b>	<b>0</b>
<b>14</b>	Tentative minimum tax: <ul style="list-style-type: none"><li>• Individuals. Enter the amount from Form 6251, line 9.</li><li>• Corporations. Enter -0-.</li><li>• Estates and trusts. Enter the amount from Schedule I (Form 1041), line 52.</li></ul>	<b>14</b>	<b>0</b>
<b>15</b>	Enter the greater of line 13 or line 14 . . . . .	<b>15</b>	<b>0</b>
<b>16</b>	Subtract line 15 from line 11. If zero or less, enter -0- . . . . .	<b>16</b>	
<b>17</b>	Enter the <b>smaller</b> of line 6 or line 16 . . . . .	<b>17</b>	<b>0</b>
	<b>C corporations:</b> See the line 17 instructions if there has been an ownership change, acquisition, or reorganization.		

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12392F

Form **3800** (2023)

**Part II Allowable Credit** (continued)

**Note:** If you are not required to report any amounts on line 22 or line 24 below, skip lines 18 through 25 and enter -0- on line 26.

18	Multiply line 14 by 75% (0.75). See instructions . . . . .	18	0
19	Enter the greater of line 13 or line 18 . . . . .	19	0
20	Subtract line 19 from line 11. If zero or less, enter -0- . . . . .	20	38,000
21	Subtract line 17 from line 20. If zero or less, enter -0- . . . . .	21	38,000
22	Combine the amounts from line 3 of Part III, column (e), with the sum of the non-passive activity credit amounts in Part IV, line 3, column (e) plus column (f) . . . . .	22	0
23	Passive activity credit from line 3 of Part III, column (f) plus the sum of the passive activity credit amounts in Part IV, line 3, column (e) plus column (f) . . . . .	23	
24	Enter the applicable passive activity credit allowed for 2023. See instructions . . . . .	24	0
25	Add lines 22 and 24 . . . . .	25	0
26	Empowerment zone and renewal community employment credit allowed. Enter the smaller of line 21 or line 25 . . . . .	26	0
27	Subtract line 13 from line 11. If zero or less, enter -0- . . . . .	27	38,000
28	Add lines 17 and 26 . . . . .	28	0
29	Subtract line 28 from line 27. If zero or less, enter -0- . . . . .	29	38,000
30	Enter the general business credit from line 5 of Part III: combine column (e) with non-passive amounts in column (g). See instructions . . . . .	30	31,500
31	Reserved . . . . .	31	
32	Passive activity credits from line 5 of Part III: combine column (f) with passive amounts in column (g). See instructions . . . . .	32	0
33	Enter the applicable passive activity credits allowed for 2023. See instructions . . . . .	33	0
34	Carryforward of business credit to 2023. Enter the amount from line 5 of Part IV, column (f), and line 6 of Part IV, column (g). See instructions for statement to attach . . . . . Check this box if the carryforward was changed or revised from the original reported amount . . . <input type="checkbox"/>	34	0
35	Carryback of business credit from 2024. Enter the amount from line 5 of Part IV, column (e). See instructions . . . . .	35	0
36	Add lines 30, 33, 34, and 35 . . . . .	36	31,500
37	Enter the <b>smaller</b> of line 29 or line 36 . . . . .	37	31,500
38	<b>Credit allowed for the current year.</b> Add lines 28 and 37. Report the amount from line 38 (if smaller than the sum of Part I, line 6, and Part II, lines 25 and 36; see instructions) as indicated below or on the applicable line of your return. <ul style="list-style-type: none"> <li>• Individuals. Schedule 3 (Form 1040), line 6a.</li> <li>• Corporations. Form 1120, Schedule J, Part I, line 5c.</li> <li>• Estates and trusts. Form 1041, Schedule G, line 2b.</li> </ul>	38	31,500



**Part III** **Current Year General Business Credits (GBCs)** (see instructions). If there is more than one credit amount to report on lines 1a through 1zz, line 3, or lines 4a through 4z, enter the number of items you have for that line in column (c) and complete Part V.

(a) Current year credits from:	(b) Elective payment or transfer registration number	(c) # items	(d) Pass-through or transfer credit entity EIN	(e) Credits from non-passive activities	(f) Credits from passive activities	(g) Credit transfer election amount (enter amounts transferred out as a negative amount)	(h) Gross elective payment election amount	(i) Net elective payment election amount	(j) Combine columns (e), (f), and (g), less column (i)
<b>1a</b> Form 3468, Part II . . . . .									
<b>b</b> Form 7207 . . . . .									
<b>c</b> Form 6765 . . . . .									
<b>d</b> Form 3468, Part III . . . . .									
<b>e</b> Form 8826 . . . . .									
<b>f</b> Form 8835, Part II . . . . .									
<b>g</b> Form 7210 . . . . .									
<b>h</b> Form 8820 . . . . .									
<b>i</b> Form 8874 . . . . .									
<b>j</b> Form 8881, Part I . . . . .									
<b>k</b> Form 8882 . . . . .									
<b>l</b> Form 8864 (diesel) . . . . .									
<b>m</b> Form 8896 . . . . .									
<b>n</b> Form 8906 . . . . .									
<b>o</b> Form 3468, Part IV . . . . .									
<b>p</b> Form 8908 . . . . .									
<b>q</b> Reserved (45Z) . . . . .									
<b>r</b> Form 8910 . . . . .									
<b>s</b> Form 8911, Part II . . . . .									
<b>t</b> Form 8830 . . . . .									
<b>u</b> Form 7213, Part II . . . . .									
<b>v</b> Form 3468, Part V . . . . .									
<b>w</b> Form 8932 . . . . .									
<b>x</b> Form 8933 . . . . .				7,500					7,500
<b>y</b> Form 8936, Part II . . . . .	1								
<b>z</b> Reserved . . . . .		1		24,000					24,000
<b>aa</b> Form 8936, Part V . . . . .									
<b>bb</b> Form 8904 . . . . .									
<b>cc</b> Form 7213, Part I . . . . .									
<b>dd</b> Form 8881, Part II . . . . .									
<b>ee</b> Form 8881, Part III . . . . .									
<b>ff</b> Form 8864, line 8 . . . . .									
<b>gg</b> Reserved (1gg) . . . . .									
<b>hh</b> Reserved (1hh) . . . . .									
<b>ii</b> Reserved (1ii) . . . . .									
<b>jj</b> Reserved (1jj) . . . . .									
<b>zz</b> Other credits . . . . .				31,500					31,500
<b>2</b> Add lines 1a through 1zz . . . . .				31,500					31,500



**Part III** **Current Year General Business Credits (GBCs)** (see instructions). If there is more than one credit amount to report on lines 1a through 1zz, line 3, or lines 4a through 4z, enter the number of items you have for that line in column (c) and complete Part V. (continued)

(a) Current year credits from:	(b) Elective payment or transfer registration number	(c) # items	(d) Pass-through or transfer credit entity EIN	(e) Credits from non-passive activities	(f) Credits from passive activities	(g) Credit transfer election amount (enter amounts transferred out as a negative amount)	(h) Gross elective payment election amount	(i) Net elective payment election amount	(j) Combine columns (e), (f), and (g), less column (i)
3 Form 8844 . . . . .				0					0
4 Specified credits:									
a Form 3468, Part VI . . . . .									
b Form 5884 . . . . .									
c Form 6478 . . . . .									
d Form 8586 . . . . .									
e Form 8835, Part II . . . . .									
f Form 8846 . . . . .									
g Form 8900 . . . . .									
h Form 8941 . . . . .									
i Form 6765 ESB credit . . . . .									
j Form 8994 . . . . .									
k Form 3468, Part VII . . . . .									
l Reserved (4l) . . . . .									
m Reserved (4m) . . . . .									
n Other specified credits . . . . .									
5 Add lines 4a through 4z . . . . .				31,500					31,500
6 Add lines 2, 3, and 5 . . . . .									31,500

Form 3800 (2023)

Form 3800 (2023)

**Part IV Carryovers of General Business Credits (GBCs) or Eligible Small Business Credits (ESBCs)**  
 (see instructions)

(a) Credits carried over to tax year 2023	(b) Check if non- passive	(c) Year	(d) Pass-through entity EIN	(e) Credit carrybacks to current year	(f) Carryforwards (excluding ESBCs)	(g) Eligible small business credit (ESBC) carryforwards
1a Form 3468, Part II (coal, gasification)						
b Form 7207 (manufacturing production)						
c Form 6765 (research)						
d Form 3468, Part III (advanced energy)						
e Form 8826 (disabled access)						
f Form 8835, Part II (renewable electricity)						
g Form 7210 (clean hydrogen)						
h Form 8820 (orphan drug)						
i Form 8874 (new markets)						
j Form 8881, Part I (pension plan startup)						
k Form 8882 (employer-provided childcare)						
l Form 8864 (biodiesel and renewable diesel)						
m Form 8896 (low sulfur diesel fuel)						
n Form 8906 (distilled spirits)						
o Form 3468, Part IV (advanced manufacturing)						
p Form 8908 (energy-efficient home)						
q Reserved						
r Form 8910 (alternative motor vehicle)						
s Form 8911, Part II (alternative fuel refueling)						
t Form 8830 (enhanced oil recovery)						
u Form 7213, Part II (zero-emission nuclear production)						
v Form 3468, Part V (reserved)						
w Form 8932 (differential wage)						
x Form 8933 (carbon oxide sequestration)						
y Form 8936, Part II (clean vehicle)						
z Reserved						
aa Form 8936, Part V (commercial clean vehicle)						
bb Form 8904 (oil and gas production)						
cc Form 7213, Part I (advanced nuclear production)						
dd Form 8881, Part II (pension auto enrollment)						
ee Form 8881, Part III (military spouse)						
ff Form 8864 (sustainable aviation fuel mixture)						
gg Reserved						
hh Reserved						
ii Reserved						
jj Reserved						
zz Other						
<b>2 Credits for which only carryforwards are allowed:</b>						
a Form 5884-A (employee retention)						
b Form 8586 (low-income housing) (pre-2008)						
c Form 8845 (Indian employment)						
d Form 8907 (nonconventional source fuel)						
e Form 8909 (energy efficient appliance)						
f Form 8923 (mine rescue team training)						
g Form 8834 (qualified plug-in electric vehicle)						
h Form 8931 (agricultural chemicals security)						
i Form 1065-B (GBCs from electing partnership)						
j Form 5884 (work opportunity) (pre-2007)						
k Form 6478 (alcohol fuel) (pre-2005)						
l Form 8846 (employer taxes) (pre-2007)						

Form 3800 (2023)



**Part IV Carryovers of General Business Credits (GBCs) or Eligible Small Business Credits (ESBCs)**  
 (see instructions) (continued)

(a) Credits carried over to tax year 2023	(b) Check if non-passive	(c) Year	(d) Pass-through entity EIN	(e) Credit carrybacks to current year	(f) Carryforwards (excluding ESBCs)	(g) Eligible small business credit (ESBC) carryforwards
m Form 8900 (railroad track maintenance) (pre-2008) . . . . .						
n Trans-Alaska pipeline liability fund credit . . . . .						
o Form 5884-A, Section A (employers affected by Hurricane Katrina, Rita, or Wilma) . . . . .						
p Form 5884-A, Section B (Hurricane Katrina housing) . . . . .						
q Form 5884-A, Section A (affected Midwestern disaster area employers) . . . . .						
r Form 5884-A, Section B (employer housing) . . . . .						
s Form 5884-B (new hire retention) . . . . .						
t Form 8847 (contributions to community development corporations) . . . . .						
u Form 8861 (welfare to work) . . . . .						
v Form 8884 (New York Liberty Zone business employee) . . . . .						
w Form 8942 (therapeutic drug) . . . . .						
yy Other credits (see instructions) . . . . .						
zz Add lines 1a through 1zz and 2a through 2yy . . . . .						
3 Form 8844 (empowerment zone) . . . . .						
4 Specified credits:						
a Form 3468, Part VI (energy) . . . . .						
b Form 5884 (work opportunity) . . . . .						
c Form 6478 (biofuel producer) . . . . .						
d Form 8586 (low-income housing) (post-2007) . . . . .						
e Form 8835 (renewable electricity) . . . . .						
f Form 8846 (employer taxes) . . . . .						
g Form 8900 (railroad track maintenance) . . . . .						
h Form 8941 (employer health insurance) . . . . .						
i Form 6765 ESB credit (research) . . . . .						
j Form 8994 (paid family and medical leave) . . . . .						
k Form 3468, Part VII (rehabilitation) (post-2007) . . . . .						
l Reserved (4l) . . . . .						
m Reserved (4m) . . . . .						
z Other specified credits . . . . .						
5 Add lines 4a through 4z . . . . .						
6 Add lines 2zz, 3, and 5 . . . . .						



Form **5695**Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return**Residential Energy Credits**

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to [www.irs.gov/Form5695](http://www.irs.gov/Form5695) for instructions and the latest information.

OMB No. 1545-0074

**2023**Attachment  
Sequence No. **75**

Your social security number

**Part I Residential Clean Energy Credit** (See instructions before completing this part.)**Note:** Skip lines 1 through 11 if you only have a **credit carryforward from 2022**.Enter the complete address of the home where you installed the property and/or technology associated with lines 1 through 4 and 5b.  
For more than one home, see instructions.

Number and street	Unit no.	City or town	State	ZIP code
1				
2				
3				
4				
5a				
5b				
6a				
6b				
7a				
8				
9				
10				
11				
12				
13				
14				
15				
16				

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 13540P

Form **5695** (2023)

**Part II Energy Efficient Home Improvement Credit****Section A—Qualified Energy Efficiency Improvements**

17a Are the qualified energy efficiency improvements installed in or on your main home located in the United States? (See instructions.)					17a	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b Are you the original user of the qualified energy efficiency improvements?					17b	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
c Are the components reasonably expected to remain in use for at least 5 years? If you checked the "No" box for line 17a, 17b, or 17c, you cannot claim the energy efficient home improvement credit. Do not complete Part II, Section A.					17c	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
d Enter the complete address of the main home where you made the qualifying improvements. <b>Caution:</b> You can only have one main home at a time. (See instructions.)							
Number and street		Unit no.	City or town	State	ZIP code		
e Were any of these improvements related to the construction of this main home? If you checked the "Yes" box, you can only claim the energy efficient home improvement credit for qualifying improvements that were not related to the construction of the home. Do not include expenses related to the construction of your main home, even if the improvements were made after you moved into the home.					17e	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
18 Insulation or air sealing material or system.							
a Enter the cost of insulation material or system (include air sealing material or system) specifically and primarily designed to reduce heat loss or gain of your home that meets the criteria established by the IECC. (See instructions.)					18a	5,000	
b Multiply line 18a by 30% (0.30). Enter the results. Do not enter more than \$1,200					18b	1,200	
19 Exterior doors that meet the applicable Energy Star requirements.							
a Enter the cost of the most expensive door you bought					19a	700	
b Multiply line 19a by 30% (0.30). Do not enter more than \$250					19b	210	
c Enter the cost of all other qualifying exterior doors					19c	900	
d Multiply line 19c by 30% (0.30)					19d	270	
e Add lines 19b and 19d. Do not enter more than \$500					19e	460	
20 Windows and skylights that meet the Energy Star certification requirements.							
a Enter the cost of exterior windows and skylights that meet the Energy Star certification requirements. (See instructions.)					20a	2,500	
b Multiply line 20a by 30% (0.30). Enter the results. Do not enter more than \$600					20b	600 2,260	

**Section B—Residential Energy Property Expenditures****Capped at \$1,200**

21a Did you incur costs for qualified energy property installed on or in connection with a home located in the United States?					21a	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b Was the qualified energy property originally placed into service by you? If you checked the "No" box for line 21a or 21b, you cannot claim the credit for your residential energy property costs. Skip lines 22 through 25 and line 29. Go to line 26.					21b	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c Enter the complete address of each home where you installed qualified energy property.							
Number and street		Unit no.	City or town	State	ZIP code		
22 Residential energy property costs (include labor costs for onsite preparation, assembly, and original installation). (See instructions.)							
a Enter the cost of central air conditioners					22a		
b Multiply line 22a by 30% (0.30). Enter the results. Do not enter more than \$600					22b		
23a Enter the cost of natural gas, propane, or oil water heaters					23a		
b Multiply line 23a by 30% (0.30). Enter the results. Do not enter more than \$600					23b		
24a Enter the cost of natural gas, propane, or oil furnace or hot water boilers					24a		
b Multiply line 24a by 30% (0.30). Enter the results. Do not enter more than \$600					24b		



**Section B—Residential Energy Property Expenditures** (continued)

<b>25a</b>	Enter the cost of improvements or replacement of panelboards, subpanelboards, branch circuits, or feeders . . . . .	<b>25a</b>		<b>25b</b>	
<b>b</b>	Multiply line 25a by 30% (0.30). Enter the results. Do <b>not</b> enter more than \$600 . . . . .				
<b>26</b>	Home energy audits.				
<b>a</b>	Did you incur costs for a home energy audit that included an inspection of your main home located in the United States and a written report prepared by a certified home energy auditor? (See instructions.) If you checked the "No" box, you cannot claim the home energy audit credit. Stop. Go to line 27.	<b>26a</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>b</b>	Enter the cost of the home energy audits . . . . .	<b>26b</b>		<b>26c</b>	
<b>c</b>	Multiply line 26b by 30% (0.30). Enter the results. Do <b>not</b> enter more than \$150 . . . . .				
<b>27</b>	Add lines 18b, 19e, 20b, 22b, 23b, 24b, 25b, and 26c . . . . .	<b>27</b>	2,260	<b>28</b>	1,200
<b>28</b>	Enter the smaller of line 27 or \$1,200 . . . . .				
<b>29</b>	Heat pumps and heat pump water heaters; biomass stoves and biomass boilers.				
<b>a</b>	Enter the cost of electric or natural gas heat pumps . . . . .	<b>29a</b>	6,000		
<b>b</b>	Enter the cost of electric or natural gas heat pump water heaters . . . . .	<b>29b</b>			
<b>c</b>	Enter the cost of biomass stoves and biomass boilers . . . . .	<b>29c</b>			
<b>d</b>	Add lines 29a, 29b, and 29c . . . . .	<b>29d</b>	6,000	<b>29e</b>	1,800
<b>e</b>	Multiply line 29d by 30% (0.30). Enter the results. Do <b>not</b> enter more than \$2,000 . . . . .			<b>30</b>	3,000
<b>30</b>	Add lines 28 and 29e . . . . .				
<b>31</b>	Limitation based on tax liability. Enter the amount from the Energy Efficient Home Improvement Credit Limit Worksheet. (See instructions.) . . . . .	<b>31</b>	3,000		
<b>32</b>	<b>Energy efficient home improvement credit.</b> Enter the smaller of line 30 or line 31. Also include this amount on Schedule 3 (Form 1040), line 5b . . . . .	<b>32</b>	3,000		

Form 5695 (2023)



Form **3468**Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

**Investment Credit**

Attach to your tax return.

Go to [www.irs.gov/Form3468](http://www.irs.gov/Form3468) for instructions and the latest information.

OMB No. 1545-0155

**2023**Attachment  
Sequence No. **174**

Identifying number

**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 ☐**1** Description of the facility: \_\_\_\_\_**2a** IRS-issued registration number for the facility: \_\_\_\_\_**b** Type of facility (solar, geothermal, etc.): \_\_\_\_\_**3** Location of facility, including coordinates (latitude and longitude). \_\_\_\_\_**a** Address of the facility (if applicable): \_\_\_\_\_**b** Coordinates (if applicable). Latitude: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ Longitude: ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐  
Enter a "+" (plus) or "-" (minus) sign in the first box. Enter a "+" (plus) or "-" (minus) sign in the first box.**4** Date construction began (MM/DD/YYYY): \_\_\_\_\_**5** Date placed in service (MM/DD/YYYY): \_\_\_\_\_**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.**8** Does the project satisfy the prevailing wage and apprenticeship requirements?**a** ☐ Yes, and sections 48C(e)(5) and (6) apply, and it was declared as provided per Notice 2023-18.**b** ☐ Yes, and either (i) section 48(a)(9)(B)(ii) applies if construction began before January 29, 2023; or (ii) sections 48(a)(10) and (11) apply.**c** ☐ No.**d** ☐ Not applicable.**9** Does the property qualify for a domestic content bonus credit per section 45(b)(9)(B)?**a** ☐ Yes, and section 48(a)(9)(B) is satisfied (10% bonus). Attach the required information.**b** ☐ Yes, and section 48(a)(9)(B) is **not** satisfied (2% bonus). Attach the required information.**c** ☐ No.**10** Does the project qualify for an energy community bonus credit per section 48(a)(14)?**a** ☐ Yes, and section 48(a)(9)(B) is satisfied (10% bonus).**b** ☐ Yes, and section 48(a)(9)(B) is **not** satisfied (2% bonus).**c** ☐ No.**11** Does the project qualify as a solar or wind facility in connection with low-income communities bonus credit per section 48(e)(2)?**a** ☐ Yes, and the facility is located in a low-income community per section 45D(e) (10% bonus).**b** ☐ Yes, and the facility is located on Indian land per section 2601(2) of P.L. 102-486 (10% bonus).**c** ☐ Yes, and the facility is part of a qualified low-income residential building project facility per section 48(e)(2)(B) (20% bonus).**d** ☐ Yes, and the facility is part of a qualified low-income economic benefit project facility per section 48(e)(2)(C) (20% bonus).**e** If "Yes" to 11a, 11b, 11c, or 11d, enter your 48(e) Control Number: \_\_\_\_\_**f** ☐ No.**12** Enter the nameplate capacity or storage capacity.**a** ☐ Solar energy property or facility nameplate capacity: \_\_\_\_\_ 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)**e** ☐ Solar or wind nameplate capacity is 5MW ac or more**f** ☐ Not applicable.

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12276E

Form **3468** (2023)

