

Credit for Increasing Research Activities (or for claiming the orphan drug credit)

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your return.

Attachment Sequence No. 81

Name(s) shown on return Identifying number

Part I Current Year Orphan Drug Credit (For costs incurred after December 31, 1994, see instructions.)

Table with 4 rows for orphan drug credit calculations, including lines 1, 2, 3, and 4.

Part II Tax Liability Limitation for the Orphan Drug and Research Credits

Table with 10 rows for tax liability limitation, including sub-rows 5a-c, 6a-e, 7, 8a-c, and 9-10.

Part III Current Year Credit for Increasing Research Activities (For costs incurred after June 30, 1995, see instructions.)

Table with 28 rows for current year credit for increasing research activities, including lines 11 through 28.

Part IV Tax Liability Limitation for the Research Credit

29	Net regular tax for research credit:			
a	Net regular tax from line 7		29a	
b	Orphan drug credit from line 10	29b		
c	Credit for fuel from nonconventional source	29c		
d	Qualified electric vehicle credit (Form 8834, line 19)	29d		
e	Add lines 29b through 29d		29e	
f	Net regular tax. Subtract line 29e from line 29a.		29f	
30	Net income tax:			
a	Individuals. Add line 29f above and line 28 of Form 6251	}	30	
b	Corporations. Add line 29f above and line 15 of Form 4626			
c	Estates and trusts. Add line 29f above and line 39 of Form 1041, Schedule H			
31	If line 29f is more than \$25,000, enter 25% (.25) of the excess (see instructions)		31	
32	Subtract line 8 or line 31, whichever is greater, from line 30. If less than zero, enter -0-		32	
33	Corporations. Enter here and on the appropriate line of your return the smaller of line 28 or line 32. This is your General Business Credit for 1994		33	
34	Individuals, estates, and trusts. Enter here and on the appropriate line of your return the smaller of line 28 or the amount from the formula in the instructions for line 34 (but do not enter more than line 32). This is your General Business Credit for 1994		34	

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 8 hr., 51 min.
- Learning about the law or the form** 1 hr.
- Preparing and sending the form to the IRS** 1 hr., 11 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler

we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Claiming the Credit

The research credit shown on line 28 is one of the credits that make up the general business credit.

If for this year you have more than one of the credits included in the general business credit (see list on this page), have a carryback or carryforward of any of the credits, or have a research credit from a passive activity, you must complete **Form 3800**, General Business Credit, instead of Part IV of Form 6765 to figure the tax liability limitation.

The general business credit consists of the following credits: investment (Form 3468), jobs (Form 5884), alcohol used as fuel (Form 6478), research (Form 6765), low-income housing (Form 8586), enhanced oil recovery (Form 8830), disabled access (Form 8826), renewable electricity production (Form 8835), Indian employment (Form 8845), employer social security and Medicare taxes paid on certain employee tips (Form 8846), and contributions to selected community development corporations (Form 8847).

Although the empowerment zone employment credit (Form 8844), is a component of the general business credit, it is figured separately on Form 8844. This credit is not reported on Form 3800.