

February 28, 2001

## **INSTRUCTION CHANGES FOR FORM 49C**

### **Carryover Period**

- The credit carryover for property acquired prior to 1990 is limited to five tax years.
- For property acquired after 1989 but prior to tax years beginning in 2000, the credit carryover is limited to seven tax years unless the credit has not been carried over seven tax years before 2000. If the credit has been carried forward less than seven tax years, and is eligible for carryover to tax years beginning on or after 2000, the carryover period is limited to 14 tax years.
- For credit earned in tax years beginning on or after January 1, 2000, the credit carryover is limited to 14 tax years.

For purposes of the carryover period, a short tax year counts as one tax year.

### Examples:

ITC was earned in a tax year beginning in 1992. The credit is eligible for carryover into the tax year beginning in 1999 as the seventh year. Since the carryover expires in the tax year beginning in 1999, the credit may not be carried into tax years beginning on or after January 1, 2000. The carryover is limited to seven tax years.

ITC was earned in a tax year beginning in 1993. The credit is eligible for carryover into the tax year beginning in 2000 as the seventh year. Since the credit has not yet been carried forward seven years, the unused credit may be carried into tax years beginning on or after January 1, 2000 and the carryover period is limited to 14 tax years rather than seven.