

Caution: DRAFT FORM

This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

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.

Name(s) shown on Form 1040		Your social security number	
1	Enter your credit carryforward from line 12 of your 2003 Form 8859. If zero, stop ; you cannot take this credit	1	
2	Enter the amount from Form 1040, line 43	2	
3	Enter the total of the amounts from Form 1040, lines 46 through 48, plus any mortgage interest credit from Form 8396, line 13	3	
4	Enter the amount from Form 6251, line 31	4	
5	Add lines 3 and 4	5	
6	Subtract line 5 from line 2. If zero or less, enter -0- here and on line 7 and go to line 8	6	
7	Current year credit. Enter the smaller of line 1 or line 6. Also include this amount on Form 1040, line 49, and check box b on that line	7	
8	Credit carryforward to 2005. Subtract line 7 from line 1	8	

General Instructions

Section references are to the Internal Revenue Code.

What's New

You can only use Form 8859 to claim a carryforward of the District of Columbia first-time homebuyer credit from 2003. The credit is no longer available for homes purchased after 2003.

Purpose of Form

Use Form 8859 to claim a carryforward of the District of Columbia first-time homebuyer credit from 2003.

Specific Instructions

Line 4

- Did you fill in Form 6251 to see if you owe the alternative minimum tax, which is entered on Form 1040, line 44?
 - Yes.** Enter on line 4 the amount from Form 6251, line 31.
 - No.** Continue.
- Are you filing Schedule C, C-EZ, D, E, or F (Form 1040)?
 - Yes.** Stop and fill in Form 6251 through line 31. Then, enter that amount on Form 8859, line 4.
 - No.** Continue.
- At the end of 2004 did you own stock that you received in 2004 by exercising an incentive stock option?
 - Yes.** Stop and fill in Form 6251 through line 31. Then, enter that amount on Form 8859, line 4.
 - No.** Continue.
- Is the amount on Form 1040, line 22, plus any tax-exempt interest from private activity bonds issued after August 7, 1986, and any net operating loss deduction more than the amount shown below for your filing status?

- Single or head of household—\$40,250
- Married filing jointly or qualifying widow(er)—\$58,000
- Married filing separately—\$29,000

- Yes.** Fill in Form 6251 through line 31. Then, enter that amount on Form 8859, line 4.
- No.** Enter -0- on line 4.

Line 8

Any unused credit shown on line 8 may be carried forward until it has been used. You cannot carry the unused credit back to prior years.

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.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

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

- Recordkeeping** 19 min.
- Learning about the law or the form** 6 min.
- Preparing the form.** 22 min.
- Copying, assembling, and sending the form to the IRS** 20 min.

If you have any comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the Instructions for Form 1040.