

▶ See separate instructions.

▶ Attach to your return.

**1997**

Attachment  
Sequence No. **81**

Name(s) shown on return

Identifying number

**Part I Current Year Credit**

**Section A—Regular Credit.** Include on lines 1 and 4 through 7 **ONLY** costs paid or incurred before July 1, 1998. Skip this section and go to Section B if you are electing or had previously elected the alternative incremental credit.

1	Basic research payments paid or incurred to qualified organizations (see instructions)	1		
2	Qualified organization base period amount	2		
3	Subtract line 2 from line 1. If zero or less, enter -0-	3		
4	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	4		
5	Cost of supplies	5		
6	Rental or lease costs of computers (see instructions)	6		
7	Enter the applicable percentage of contract research expenses (see instructions)	7		
8	Total qualified research expenses. Add lines 4 through 7	8		
9	Enter fixed-base percentage, but not more than 16% (see instructions)	9		%
10	Enter average annual gross receipts (see instructions)	10		
11	Base amount (see instructions for computation)	11		
12	Subtract line 11 from line 8. If zero or less, enter -0-	12		
13	Multiply line 8 by 50% (.50)	13		
14	Enter the <b>smaller</b> of line 12 or line 13	14		
15	Add lines 3 and 14	15		
16	<b>Regular credit.</b> If you are not electing the reduced credit under section 280C(c), multiply line 15 by 20% (.20), enter the result, and see the instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 15 by 13% (.13) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space. Skip lines 17 through 39 and go to line 40	16		

**Section B—Alternative Incremental Credit.** If the alternative incremental credit election **does not** apply to your first tax year beginning after June 30, 1996, and before July 1, 1997, include on lines 17 and 21 through 24 **ONLY** costs paid or incurred before July 1, 1998. Skip this section if you completed Section A.

17	Basic research payments paid or incurred to qualified organizations (see the line 1 instructions)	17		
18	Qualified organization base period amount	18		
19	Subtract line 18 from line 17. If zero or less, enter -0-	19		
20	Multiply line 19 by 20% (.20)	20		
21	Wages for qualified services (do not include wages used in figuring the work opportunity credit)	21		
22	Cost of supplies	22		
23	Rental or lease costs of computers (see the line 6 instructions)	23		
24	Enter the applicable percentage of contract research expenses (see the line 7 instructions)	24		
25	Total qualified research expenses. Add lines 21 through 24	25		
26	Enter average annual gross receipts (see the line 10 instructions)	26		
27	Multiply line 26 by 1% (.01)	27		
28	Subtract line 27 from line 25. If zero or less, enter -0-	28		
29	Multiply line 26 by 1.5% (.015)	29		
30	Subtract line 29 from line 25. If zero or less, enter -0-	30		
31	Subtract line 30 from line 28. If zero or less, enter -0-	31		
32	Multiply line 26 by 2% (.02)	32		
33	Subtract line 32 from line 25. If zero or less, enter -0-	33		
34	Subtract line 33 from line 30. If zero or less, enter -0-	34		
35	Multiply line 31 by 1.65% (.0165)	35		
36	Multiply line 34 by 2.2% (.022)	36		
37	Multiply line 33 by 2.75% (.0275)	37		
38	Add lines 20, 35, 36, and 37	38		
39	<b>Alternative incremental credit.</b> If you are not electing the reduced credit under section 280C(c), enter the amount from line 38, and see the line 16 instructions for the schedule that must be attached. If you are electing the reduced credit, multiply line 38 by 65% (.65) and enter the result. Also, write "Sec. 280C" on the dotted line to the left of the entry space	39		
40	Flow-through research credit(s) from a partnership, S corporation, estate, or trust	40		
41	<b>Total current year credit for increasing research activities.</b> Add line 16 <b>OR</b> line 39 to line 40	41		

**Part II Tax Liability Limit** (See **Who Must File Form 3800** to find out if you complete Part II or file Form 3800.)

<b>42</b>	Regular tax before credits:			
	<ul style="list-style-type: none"> <li>• Individuals. Enter amount from Form 1040, line 39 . . . . .</li> <li>• Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1) . . . . .</li> <li>• Other filers. Enter regular tax before credits from your return . . . . .</li> </ul>	}	42	
<b>43a</b>	Credit for child and dependent care expenses (Form 2441, line 9) . . . . .	<b>43a</b>		
<b>b</b>	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20) . . . . .	<b>43b</b>		
<b>c</b>	Mortgage interest credit (Form 8396, line 11) . . . . .	<b>43c</b>		
<b>d</b>	Adoption credit (Form 8839, line 10) . . . . .	<b>43d</b>		
<b>e</b>	District of Columbia first-time homebuyer credit (Form 8859) . . . . .	<b>43e</b>		
<b>f</b>	Foreign tax credit (Form 1116, line 32, or Form 1118, Sch. B, line 12) . . . . .	<b>43f</b>		
<b>g</b>	Possessions tax credit (Form 5735) . . . . .	<b>43g</b>		
<b>h</b>	Credit for fuel from a nonconventional source . . . . .	<b>43h</b>		
<b>i</b>	Qualified electric vehicle credit (Form 8834, line 19) . . . . .	<b>43i</b>		
<b>j</b>	Add lines 43a through 43i . . . . .		43j	
<b>44</b>	Net regular tax. Subtract line 43j from line 42 . . . . .		44	
<b>45</b>	Alternative minimum tax:			
	<ul style="list-style-type: none"> <li>• Individuals. Enter amount from Form 6251, line 28 . . . . .</li> <li>• Corporations. Enter amount from Form 4626, line 15 . . . . .</li> <li>• Estates and trusts. Enter amount from Form 1041, Schedule I, line 42 . . . . .</li> </ul>	}	45	
<b>46</b>	Net income tax. Add lines 44 and 45 . . . . .		46	
<b>47</b>	Tentative minimum tax (see instructions):			
	<ul style="list-style-type: none"> <li>• Individuals. Enter amount from Form 6251, line 26 . . . . .</li> <li>• Corporations. Enter amount from Form 4626, line 13 . . . . .</li> <li>• Estates and trusts. Enter amount from Form 1041, Schedule I, line 38 . . . . .</li> </ul>	}	47	
<b>48</b>	If line 44 is more than \$25,000, enter 25% (.25) of the excess (see instructions) . . . . .		48	
<b>49</b>	Enter the greater of line 47 or line 48 . . . . .		49	
<b>50</b>	Subtract line 49 from line 46. If zero or less, enter -0- . . . . .		50	
<b>51</b>	<b>Credit for increasing research activities allowed for the current year. Individuals, estates, and trusts:</b> Enter the <b>smaller</b> of line 41 or the amount from the formula in the instructions for line 51 (but do not enter more than line 50) here and on Form 1040, line 44; or Form 1041, Schedule G, line 2c. <b>Corporations:</b> Enter the <b>smaller</b> of line 41 or line 50 here and on Form 1120, Schedule J, line 4d; Form 1120-A, Part I, line 2a; or the applicable line of other returns . . . . .		51	

