



Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information as a courtesy. **Do not file draft forms.** Also, do **not** rely on draft forms, instructions, and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms), and may remain there even after the final release is posted at [IRS.gov/DownloadForms](https://www.irs.gov/DownloadForms). All information about all forms, instructions, and pubs is at [IRS.gov/Forms](https://www.irs.gov/Forms).

Almost every form and publication also has its own page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Publication 17 page is at [IRS.gov/Pub17](https://www.irs.gov/Pub17); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040) page is at [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not in a Search box. Note that these are friendly shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). We cannot respond to all comments due to the high volume we receive. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.



Instructions for Form 8845

Indian Employment Credit

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8845 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8845](https://www.irs.gov/Form8845).

What's New

The Indian employment credit has expired for qualified wages and health care costs paid or incurred in tax years beginning after 2017.



At the time these instructions went to print, Congress had not enacted legislation on expired provisions. To find out if legislation has been enacted, go to [IRS.gov/Form8845](https://www.irs.gov/Form8845).

General Instructions

Purpose of Form

Use the 2018 Form 8845 to report any Indian employment credit you received from a fiscal year partnership, cooperative, S corporation, estate, or trust whose tax year began in 2017 (when the credit was still available) and ends during your 2018 tax year.

Partnerships and S corporations must file this form to claim the credit. All others are generally not required to complete or file this form if their only source for this credit is a partnership, S corporation, estate, trust, or cooperative. Instead, they can report this credit directly on Form 3800, General Business Credit. The following exceptions apply.

- You are an estate or trust and the source credit can be allocated to beneficiaries. For more details, see the instructions for Form 1041, Schedule K-1, box 13, code L.
- You are a cooperative and the source credit can or must be allocated to patrons. For more details, see the instructions for Form 1120-C, Schedule J, line 5c.

Specific Instructions

Lines 1 Through 4

These lines are now shown as “Reserved for future use” in case Congress extends the Indian employment credit for 2018. When any form, worksheet, or instruction refers to these lines, treat the amounts on these lines as zero.

Line 5

Enter total Indian employment credits from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code P);
- Schedule K-1 (Form 1120S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code P);
- Schedule K-1 (Form 1041), Beneficiary's Share of Income, Deductions, Credits, etc., box 13 (code L); and
- Form 1099-PATR, Taxable Distributions Received From Cooperatives, box 10, or other notice of credit allocation.

Partnerships and S corporations report the above credits on line 5. Also, estates and trusts that can allocate the source credit to beneficiaries and cooperatives that can allocate the credit to patrons report the above credits on line 5. All other filers report the above credits directly on Form 3800, Part III, line 1g, and don't file Form 8845.

Line 7

Cooperatives. A cooperative described in section 1381(a) must allocate to its patrons the credit in excess of its tax liability limit. Therefore, to figure the unused amount of the credit allocated to patrons, the cooperative must first figure its tax liability. While any excess is allocated to patrons, any credit recapture applies as if the cooperative had claimed the entire credit.

If the cooperative is subject to the passive activity rules, include on line 5 any Indian employment credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8810, Corporate Passive Activity Loss and Credit Limitations, to determine the allowed credit that can be allocated to patrons. For details, see the Instructions for Form 8810.

Estates and trusts. Allocate the Indian employment credit on line 6 between the estate or trust and the beneficiaries in the same proportion as income was allocated and enter the beneficiaries share on line 7.

If the estate or trust is subject to the passive activity rules, include on line 5 any Indian employment credit from passive activities disallowed for prior years and carried forward to this year. Complete Form 8582-CR, Passive Activity Credit Limitations, to determine the allowed credit that must be allocated between the estate or trust and the beneficiaries. For details, see the Instructions for Form 8582-CR.

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 burden for business taxpayers filing this form is approved under OMB control number 1545-0123 and is included in the estimates shown in the instructions for their business income tax return.

Comments. You can send us comments by going to [IRS.gov/forms-pubs/comment](https://www.irs.gov/forms-pubs/comment), clicking on “More Information,” and then clicking on “Give us Feedback.” You can also send your comments to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **DON'T SENT THE FORM TO THIS ADDRESS.**