

# 2008

## Instructions for Form 1120-H

### U.S. Income Tax Return for Homeowners Associations



Department of the Treasury  
Internal Revenue Service

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

#### What's New

- The filing address for certain associations whose principal business office or agency is located in Georgia and Tennessee has changed. See *Where To File* on page 3.
- A homeowners association can elect to claim an additional research tax credit instead of claiming any additional first-year special depreciation allowance of eligible qualified property. See the instructions for line 23g on page 5.
- For information on temporary tax relief for certain taxpayers in Kiowa County, Kansas, and surrounding areas, see Pub. 4492-A, *Information for Taxpayers Affected by the May 4, 2007, Kansas Storms and Tornadoes*.
- For information on tax relief granted to certain taxpayers in the Midwestern disaster areas, see Pub. 4492-B, *Information for Affected Taxpayers in the Midwestern Disaster Areas*.

#### Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

#### Unresolved Tax Issues

If the association has attempted to deal with an IRS problem unsuccessfully, it should contact the Taxpayer Advocate. The Taxpayer Advocate independently represents the association's interests and concerns within the IRS by protecting its rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that the association's case is given a complete and impartial review.

The association's assigned personal advocate will listen to its point of view and

will work with the association to address its concerns. The association can expect the advocate to provide:

- An impartial and independent look at your problem,
- Timely acknowledgment,
- The name and phone number of the individual assigned to its case,
- Updates on progress,
- Time frames for action,
- Speedy resolution, and
- Courteous service.

When contacting the Taxpayer Advocate, the association should be prepared to provide the following information:

- The association's name, address, and employer identification number.
- The name and telephone number of an authorized contact person and the hours he or she can be reached.
- The type of tax return and year(s) involved.
- A detailed description of the problem.
- Previous attempts to solve the problem and the office that was contacted.
- A description of the hardship the association is facing and supporting documentation (if applicable).

The association can contact a Taxpayer Advocate as follows:

- Call the Taxpayer Advocate's toll-free number: 1-877-777-4778.
- Call, write, or fax the Taxpayer Advocate office in its area (see Pub. 1546 for addresses and phone numbers).
- TTY/TDD help is available by calling 1-800-829-4059.
- Visit the website at [www.irs.gov/advocate](http://www.irs.gov/advocate).

#### How To Get Forms and Publications

**Internet.** You can access the IRS website 24 hours a day, 7 days a week, at [www.irs.gov](http://www.irs.gov) to:

- Download forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword; and
- Sign up to receive local and national tax news by email.

**DVD for tax products.** You can order Pub. 1796, *IRS Tax Products DVD*, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax Law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Internal Revenue Code – Title 26.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- Two releases during the year.
  - The first release will ship early January 2009.
  - The final release will ship early March 2009.

Purchase the DVD from National Technical Information Service (NTIS) at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) for \$30 (no handling fee) or call 1-877-233-6767 toll free to purchase the DVD for \$30 (plus a \$6 handling fee).

**By phone and in person.** You can order forms and publications by calling 1-800-TAX-FORM (1-800-829-3676). You can also get most forms and publications at your local IRS office.

#### General Instructions

##### Purpose of Form

A homeowners association files Form 1120-H as its income tax return to take advantage of certain tax benefits. These benefits, in effect, allow the association to exclude exempt function income (defined later) from its gross income.

##### Electing To File Form 1120-H

A homeowners association elects to take advantage of the tax benefits provided by section 528 by filing a properly completed Form 1120-H. The election is made separately for each tax year and generally must be made by the due date, including extensions, of the income tax return.

This extension does not extend the time to pay the tax.

Once Form 1120-H is filed, the association cannot revoke its election for that year unless the IRS consents. The association may request IRS consent by filing a ruling request. A user fee must be