

Note: The draft you are looking for begins on the next page.

# 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. **Do not file draft forms**. We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at <a href="IRS.gov/DraftForms">IRS.gov/DraftForms</a> and remain there after the final release is posted at <a href="IRS.gov/LatestForms">IRS.gov/LatestForms</a>. Also see <a href="IRS.gov/Forms">IRS.gov/Forms</a>.

Most forms and publications have a page on IRS.gov: <a href="IRS.gov/Form1040">IRS.gov/Form1040</a> for Form 1040; <a href="IRS.gov/Pub501">IRS.gov/Pub501</a> for Pub. 501; <a href="IRS.gov/W4">IRS.gov/W4</a> for Form W-4; and <a href="IRS.gov/ScheduleA">IRS.gov/ScheduleA</a> for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at <a href="IRS.gov/FormsComments">IRS.gov/FormsComments</a>. Include "NTF" followed by the form or pub number (for example, "NTF1040", "NTFW4", "NTF501", etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each "NTF" message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click <a href="here">here</a>.

# **Instructions for Form 8924**



(December 2025)

### **Excise Tax on Certain Transfers of Qualifying Geothermal or Mineral Interest**

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

## **Future Developments**

For the latest information about developments related to Form 8924 and its instructions, such as legislation enacted after they were published, go to <a href="https://example.com/less-such as/">IRS.gov/</a>/
Form8924.

#### What's New

**Direct deposit and electronic payments.** If you have access to U.S. banking services or electronic payment systems, you should use direct deposit for any refunds. The IRS also recommends paying electronically whenever possible. Options to pay electronically include using your bank account at <a href="IRS.gov/DirectPay">IRS.gov/DirectPay</a>, your debit or credit card, your digital wallet, or your IRS online account at <a href="IRS.gov/OLA">IRS.gov/OLA</a>. Go to <a href="IRS.gov/Payments">IRS.gov/Payments</a> to see your payment options.

# **General Instructions**

### **Purpose of Form**

Use Form 8924 to report and pay the excise tax on certain transfers of qualifying mineral or geothermal interests.

#### Who Must File

An eligible entity who subsequently transfers ownership or possession (by sale, exchange, or lease) of a qualifying mineral or geothermal interest must file Form 8924 for each transfer of an interest acquired, directly or indirectly, in:

- A conservation sale in which the previous transferor excluded 25% of the qualifying gain, or
- A transfer in which the previous transferor was relieved of liability for the Form 8924 tax.

**Relief from liability.** An eligible entity isn't required to file Form 8924 if:

- The transferee is an eligible entity which provides the transferor with a qualifying letter of intent at the time of the transfer,
- The transferee isn't an eligible entity but establishes to the satisfaction of the Secretary of the Treasury that the transfer of ownership or possession will be consistent with section 170(h)(5) and provides the transferor with a qualifying letter of intent at the time of the transfer, or
- Form 8924 tax has previously been paid as a result of a previous transfer of ownership or possession of the same interest.

#### When To File

File Form 8924 by the 90th day following the taxable transfer. If you need more time to file, use Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, by the due date of Form 8924. Form 7004 doesn't extend the time for payment of tax.

#### **Amended Return**

To amend a previously filed Form 8924, file a corrected Form 8924 and write "Amended" at the top of the form.

### Where To File

Send Form 8924 to the following address.

Department of the Treasury Internal Revenue Service Kansas City, MO 64999

### **Private Delivery Services (PDSs)**

You can use certain PDSs designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns. Go to <code>IRS.gov/PDS</code> for the current list of designated services. The PDS can tell you how to get written proof of the mail date.

For the IRS mailing address to use if you're using a PDS, go to IRS.gov/PDSStreetAddresses.

**Caution:** A PDS can't deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

# Rounding Off to Whole Dollars

You may show money items on the return as whole dollars. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$8.40 rounds to \$8 and \$8.50 rounds to \$9.

If two or more amounts are added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

# **Signature**

See the instructions for the signature section of your federal income tax return.

### **Interest and Penalties**

**Interest.** Interest is charged on taxes not paid by the due date at a rate determined under section 6621.

Late filing of return. A penalty of 5% a month or part of a month, up to a maximum of 25%, is imposed on the net amount due if Form 8924 isn't filed when due.

**Late payment of tax.** Generally, the penalty for not paying tax when due is 1/2 of 1% of the unpaid amount, up

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to a maximum of 25%, for each month or part of a month the tax remains unpaid. The penalty is imposed on the net amount due.

#### **Definitions**

Bureau of Land Management land. This term means the Bureau of Land Management land and any federally owned minerals located south of the Blackfeet Indian Reservation and east of the Lewis and Clark National Forest to the eastern edge of R. 8 W., beginning in T. 29 N. down to and including T. 19 N. and all of T. 18 N., R. 7 W.

**Conservation sale.** A "conservation sale" means a sale which meets the following requirements.

- The transferee of the qualifying mineral or geothermal interest is an eligible entity.
- At the time of the sale, the transferee provides the transferor with a qualifying letter of intent.
- The sale isn't made under an order of condemnation or eminent domain.

Eligible entity. An "eligible entity" means:

- A governmental unit referred to in section 170(c)(1) or an agency or department thereof operated primarily for one or more of the conservation purposes specified in section 170(h)(4)(A)(i), (ii), or (iii); or
- An entity that's described in section 170(b)(1)(A)(vi) or 170(h)(3)(B) and organized and at all times operated primarily for one or more of the conservation purposes specified in section 170(h)(4)(A)(i), (ii), or (iii).

Eligible federal land. The term "eligible federal land" means the Bureau of Land Management land and the Forest Service land, as generally depicted on the map entitled "Rocky Mountain Front Mineral Withdrawal Area" and dated January 8, 2007. You can view an electronic version of the map at <a href="https://www.fs.usda.gov/land/staff/rocky\_mtn\_front\_withdrawal.shtml">https://www.fs.usda.gov/land/staff/rocky\_mtn\_front\_withdrawal.shtml</a>.

**Forest Service land.** This term means the Forest Service land and any federally owned minerals located:

- In the Rocky Mountain Division of the Lewis and Clark National Forest, including the approximately 356,111 acres of land made unavailable for leasing by the August 28, 1997, Record of Decision for the Lewis and Clark National Forest Oil and Gas Leasing Environmental Impact Statement and that is located from T. 31 N. to T. 16 N. and R. 13 W. to R. 7 W.; and
- Within the Badger Two Medicine Area of the Flathead National Forest including the land located in T. 29 N. from the western edge of R. 16 W. to the eastern edge of R. 13 W., and the land located in T. 28 N., Rs. 13, and 14 W.

**Qualifying letter of intent.** A "qualifying letter of intent" means a written letter of intent that includes the following statement.

"The transferee's intent is that this acquisition will serve one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4) (A) of the Internal Revenue Code of 1986, that the transferee's use of the deposits so acquired will be consistent with section 170(h)(5) of such Code, and that the use of the deposits will continue to be

consistent with such section, even if ownership or possession of such deposits is subsequently transferred to another person."

Qualifying mineral or geothermal interest. A "qualifying mineral or geothermal interest" means an interest in any mineral or geothermal deposit located on eligible federal land that constitutes the transferor's entire interest in the deposit.

An interest in any mineral or geothermal deposit isn't the transferor's entire interest if the interest in that mineral or geothermal deposit was divided in order to avoid the requirements of a qualifying mineral or geothermal interest or section 170(f)(3)(A).

The transferor's entire interest in such deposit doesn't fail to be a qualifying mineral or geothermal interest solely because the transferor has retained an interest in other deposits, even if the other deposits are contiguous with such certain deposit and were acquired by the transferor along with such certain deposit in a single conveyance.

# Specific Instructions

Name and address. Enter the name shown on the eligible entity's most recently filed federal income tax return. If the post office doesn't deliver mail to the street address and the entity has a P.O. box, show the box number instead of the street address.

**Foreign address.** Follow the country's practice for entering the postal code. In some countries, the postal code may come before the city or town name. Enter the full name of the country using uppercase letters in English.

# **Tax Computation**

#### Line 10—Tax Due

The IRS recommends paying electronically whenever possible. Options to pay electronically include any of the payment options below. Go to <u>IRS.gov/Payments</u> to see all your payment options.

**IRS Direct Pay.** Pay taxes from your bank account. IRS Direct Pay:

- Is free and secure,
- Requires no sign-in, and
- Allows you to change or cancel within 2 days of your scheduled payment.

**Debit card, credit card, or digital wallet.** The IRS uses third-party payment processors for payments by debit and credit card. It's safe and secure; your information is used solely to process your payment. A fee is charged by these service providers.

**Electronic funds withdrawal (EFW).** EFW is an integrated e-file/e-pay option offered only when filing your federal taxes using tax preparation software or through a tax professional. Using this payment option, you may submit one or more payment requests for direct debit from your designated bank account.

Electronic Federal Tax Payment Systems (EFTPS). Payment of the tax due may be submitted electronically

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through EFTPS. EFTPS is a free service of the Department of the Treasury.

To be considered timely, payments made through EFTPS must be completed no later than 8:00 p.m. Eastern time the day before the due date. All EFTPS payments must be scheduled in advance of the due date and, if necessary, may be changed or canceled up to 2 business days before the scheduled payment date.

To get more information about EFTPS or to enroll in EFTPS, go to *EFTPS.gov* or call 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number above or 800-733-4829. Additional information about EFTPS is available in Pub. 966, Electronic Federal Tax Payment System: A Guide to Getting Started.

**Same-day wire.** Payment of the tax due shown on Form 8924 may be submitted electronically through same-day wire from your financial institution. Contact your financial institution for availability, cost, and time frames.

What you need to know about making a same-day wire payment.

- You don't need to enroll to make a same-day wire payment and no personal identification number (PIN) is needed.
- Your financial institution may charge a fee for this service.
- The cutoff time to make a same-day wire payment is 5:00 p.m. Eastern time. Your financial institution may have an earlier cutoff time.

**Paying by cash.** You may be able to pay your balance due with cash at participating retail stores. Go to <u>IRS.gov/PayWithCash</u>.

#### Line 11

To the extent permitted by law, the Secretary of the Treasury will cease issuing paper checks for all federal disbursements. Direct deposit is available for this form. If there is an overpayment when filing your return, complete lines 11b, 11c, and 11d to enter your direct deposit information. If you qualify for an exception, an alternative payment option (paper check) may be permitted. See *Non-electronic federal disbursement exceptions*, later, for more information.

Why use direct deposit? You get your refund faster by direct deposit than you do by check. Payment is more secure. There is no check that can get lost or stolen. It is more convenient. You don't have to make a trip to the bank to deposit your check. It saves tax dollars. It costs the government less to refund by direct deposit. It's proven itself. Nearly 90% of social security and veterans benefits are sent electronically using direct deposit.

Account must be in your name. Don't request a deposit of your refund to an account that isn't in your name. The number of refunds that can be directly deposited to a single account or prepaid debit card is limited to three a year. After this limit is reached, paper checks will be sent instead. Learn more at <a href="IRS.gov/DepositLimit">IRS.gov/DepositLimit</a>.

**Line 11a.** If line 11a is under \$1, we will send a refund only on written request.

**Line 11b.** The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Ask your financial institution for the correct routing number to enter on line 11b if:

- The routing number on a deposit slip is different from the routing number on your checks,
- Your deposit is to a savings account that doesn't allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

**Line 11c.** Check the appropriate box for the type of account. Don't check more than one box. You must check the correct box to ensure your deposit is accepted.

**Line 11d.** The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Don't include the check number.

If the direct deposit to your account is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

Reasons your direct deposit will be rejected. If any of the following apply, your direct deposit request will be rejected and check will be sent instead.

- You're asking to have a joint refund deposited to an individual account, and your financial institution(s) won't allow this. The IRS isn't responsible if a financial institution rejects a direct deposit.
- The name on your account doesn't match the name on the refund, and your financial institution(s) won't allow a refund to be deposited unless the name on the refund matches the name on the account.
- Three direct deposits of tax refunds have already been made to the same account or prepaid debit card.
- You haven't given a valid account number.
- Any numbers or letters on lines 11b through 11d are crossed out or whited out.

**Note:** The IRS isn't responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.

**Non-electronic federal disbursement exceptions.** If you qualify for one of the exceptions below, a paper check may still be permitted as a federal disbursement option.

- Individuals who don't have access to banking services or electronic payment systems.
- Certain emergency payments where electronic disbursement would cause undue hardship, as contemplated in 31 CFR Part 208.
- National security- or law enforcement-related activities where non-EFT transactions are necessary or desirable.
- Other circumstances as determined by the Secretary of the Treasury, as reflected in regulations or other guidance.

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**Note:** If you don't qualify for one of the exceptions above, the direct deposit information must be entered on lines 11b, 11c, and 11d. If you do qualify for an exception above, leave lines 11b, 11c, and 11d blank.

### Paid Preparer Use Only

A paid preparer must sign Form 8924 and provide the information in the Paid Preparer Use Only section at the end of the form if the preparer was paid to prepare the form and is not an employee of the filing entity. The preparer must give you a copy of the form in addition to the copy to be filed with the IRS.

If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. If you work for a tax preparation firm, you must also enter the firm's name, address, and employer identification number (EIN).

You can apply for a PTIN online or by filing Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. For more information about applying for a PTIN online, go to *IRS.gov/PTIN*.

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. Section 6109 requires return preparers to provide their identifying numbers on the return.

You aren't 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	4 hr., 4 min.
Learning about the law or the form	42 min.
Preparing, copying, assembling, and sending the	
form to the IRS	47 min

Comments and suggestions. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through *IRS.gov/FormComments*. Or you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 8924 to this address. Instead, see *Where To File*, earlier.