

Foreign Tax Credit—Corporations

Internal Revenue Service
Department of the Treasury

For calendar year 20____, or other tax year beginning____, 20____, and ending____, 20____

Name of corporation _____

Employer identification number _____

Use a **separate** Form 1118 for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5. Check only one box on each form.

- | | | |
|--|--|--|
| <input type="checkbox"/> Passive Income | <input type="checkbox"/> Dividends From a DISC or Former DISC | <input type="checkbox"/> Section 901(j) Income: Name of Sanctioned Country ► _____ |
| <input type="checkbox"/> High Withholding Tax Interest | <input type="checkbox"/> Taxable Income Attributable To Foreign Trade Income | <input type="checkbox"/> Income Re-sourced by Treaty: Name of Country ► _____ |
| <input type="checkbox"/> Financial Services Income | <input type="checkbox"/> Certain Distributions From a FSC or Former FSC | <input type="checkbox"/> General Limitation Income |
| <input type="checkbox"/> Shipping Income | | |

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See page 5 of instructions.)

1. Foreign Country or U.S. Possession (Enter two-letter code from list beginning on page 11 of instructions. Use a separate line for each.)*	Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F)								
	2. Deemed Dividends (see instructions)		3. Other Dividends		4. Interest	5. Gross Rents, Royalties, and License Fees	6. Gross Income From Performance of Services	7. Other (attach schedule)	8. Total (add columns 2(a) through 7)
	(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Exclude gross-up	(b) Gross-up (sec. 78)					
A									
B									
C									
D									
E									
F									
Totals (add lines A through F)									

* For section 863(b) income, use a single line and enter "863(b)."

Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

	9. Definitely Allocable Deductions				10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d))	11. Total Deductions (add columns 9(e) and 10)	12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)
	Rental, Royalty, and Licensing Expenses		(c) Expenses Related to Gross Income From Performance of Services	(d) Other Definitely Allocable Deductions			
(a) Depreciation, Depletion, and Amortization	(b) Other Expenses						
A							
B							
C							
D							
E							
F							
Totals							

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)

Part I—Foreign Taxes Paid, Accrued, and Deemed Paid (see page 5 of instructions)

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)							3. Tax Deemed Paid (from Schedule C—Part I, column 10, Part II, column 8(b), and Part III, column 8)
<input type="checkbox"/> Paid <input type="checkbox"/> Accrued		Tax Withheld at Source on:			Other Foreign Taxes Paid or Accrued on:				
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 863(b) Income	(e) Foreign Branch Income	(f) Services Income	(g) Other	
A									
B									
C									
D									
E									
F									
Totals (add lines A through F)									

Part II—Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

1	Total foreign taxes paid or accrued (total from Part I, column 2(h))	
2	Total taxes deemed paid (total from Part I, column 3)	
3	Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)	()
4	Total carryover of foreign taxes (attach schedule showing computation in detail—see page 6 of the instructions)	
5	Total foreign taxes (combine lines 1 through 4)	
6	Enter the amount from the applicable column of Schedule J, Part I, line 11 (see page 6 of instructions). If Schedule J is not required to be completed, enter the result from the “Totals” line of column 12 of the applicable Schedule A	
7a	Total taxable income from all sources (enter taxable income from the corporation’s tax return)	
b	Adjustments to line 7a (see page 6 of instructions)	
c	Subtract line 7b from line 7a	
8	Divide line 6 by line 7c. Enter the resulting fraction as a decimal (see instructions). If line 6 is greater than line 7c, enter 1	
9	Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)	
10	Credit limitation (multiply line 8 by line 9) (see page 6 of instructions)	
11	Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)	

Part III—Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. **Do not** include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.)

1	Credit for taxes on passive income	
2	Credit for taxes on high withholding tax interest	
3	Credit for taxes on financial services income	
4	Credit for taxes on shipping income	
5	Credit for taxes on dividends from a DISC or former DISC	
6	Credit for taxes on certain distributions from a FSC or former FSC	
7	Credit for taxes on general limitation income	
8	Credit for taxes on income re-sourced by treaty (combine all such credits on this line)	
9	Total (add lines 1 through 8)	
10	Reduction in credit for international boycott operations (see page 6 of instructions)	
11	Total foreign tax credit (subtract line 10 from line 9). Enter here and on the appropriate line of the corporation’s tax return	

Schedule C Tax Deemed Paid by Domestic Corporation Filing Return

Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 960(a). **Report all amounts in U.S. dollars unless otherwise specified.**

Part I—Dividends and Deemed Inclusions From Post-1986 Undistributed Earnings

1. Name of Foreign Corporation (identify DISCs and former DISCs)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code from instructions)	4. Post-1986 Undistributed Earnings (in functional currency—attach schedule)	5. Opening Balance in Post-1986 Foreign Income Taxes	6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated		7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b))	8. Dividends and Deemed Inclusions		9. Divide Column 8(a) by Column 4	10. Tax Deemed Paid (multiply column 7 by column 9)
					(a) Taxes Paid	(b) Taxes Deemed Paid (from Schedule D, Part I—see instructions)		(a) Functional Currency	(b) U.S. Dollars		

Total (Add amounts in column 10. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3) ►

Part II—Dividends Paid Out of Pre-1987 Accumulated Profits

1. Name of Foreign Corporation (identify DISCs and former DISCs)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code from instructions)	4. Accumulated Profits for Tax Year Indicated (in functional currency computed under section 902) (attach schedule)	5. Foreign Taxes Paid and Deemed Paid on Earnings and Profits (E&P) for Tax Year Indicated (in functional currency) (see instructions)	6. Dividends Paid		7. Divide Column 6(a) by Column 4	8. Tax Deemed Paid (see instructions)	
					(a) Functional Currency	(b) U.S. Dollars		(a) Functional Currency	(b) U.S. Dollars

Total (Add amounts in column 8b. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3) ►

Part III—Deemed Inclusions From Pre-1987 Earnings and Profits

1. Name of Foreign Corporation (identify DISCs and former DISCs)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code from instructions)	4. E&P for Tax Year Indicated (in functional currency translated from U.S. dollars, computed under section 964) (attach schedule)	5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (see instructions)	6. Deemed Inclusions		7. Divide Column 6(a) by Column 4	8. Tax Deemed Paid (multiply column 5 by column 7)
					(a) Functional Currency	(b) U.S. Dollars		

Total (Add amounts in column 8. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3) ►

Schedule F Gross Income and Definitely Allocable Deductions for Foreign Branches			Schedule G Reductions of Taxes Paid, Accrued, or Deemed Paid	
1. Name of Foreign Country or U.S. Possession (Use a separate line for each.)	2. Gross Income	3. Definitely Allocable Deductions		
A			A	Reduction of Taxes Under Section 901(e)—Attach separate schedule
B			B	Reduction of Oil and Gas Extraction Taxes—Enter amount from Schedule I, Part II, line 6
C			C	Reduction of Taxes Due to International Boycott Provisions—Enter appropriate portion of Schedule C (Form 5713), line 2b. Important: Enter only “specifically attributable taxes” here.
D			D	Reduction of Taxes for Section 6038(c) Penalty—Attach separate schedule
E			E	Other Reductions of Taxes—Attach schedule(s)
F				
Totals (add lines A through F)* ▶			Total (add lines A through E). Enter here and on Schedule B, Part II, line 3. ▶	

* **Note:** The Schedule F totals are not carried over to any other Form 1118 Schedule. (These totals were already included in Schedule A.) However, the IRS requires the corporation to complete Schedule F under the authority of section 905(b).

Schedule H Apportionment of Deductions Not Definitely Allocable (complete only once)

Part I—Research and Development Deductions

	(a) Sales Method				(v) Total R&D Deductions Under Sales Method (add columns (ii) and (iv))	(b) Gross Income Method—Check method used: <input type="checkbox"/> Option 1 <input type="checkbox"/> Option 2 <small>(See page 9 of instructions.)</small>		(c) Total R&D Deductions Not Definitely Allocable (enter all amounts from column (a)(v) or all amounts from column (b)(vii))
	Product line #1 (SIC Code:)*		Product line #2 (SIC Code:)*			(vi) Gross Income	(vii) Total R&D Deductions Under Gross Income Method	
	(i) Gross Sales	(ii) R&D Deductions	(iii) Gross Sales	(iv) R&D Deductions				
1 Totals (see pages 8 and 9 of instructions)								
2 Total to be apportioned								
3 Apportionment among statutory groupings:								
a General limitation income								
b Passive income								
c High withholding tax interest								
d Financial services income								
e Shipping income								
f Taxable income attributable to foreign trade income								
g Section 901(j) income*								
h Income re-sourced by treaty*								
4 Total foreign (add lines 3a through 3h)								

*Important: See **Computer-Generated Schedule H** in instructions.

Schedule H Apportionment of Deductions Not Definitely Allocable *(continued)*

Part II—Interest Deductions, All Other Deductions, and Total Deductions

	(a) Average Value of Assets—Check method used: <input type="checkbox"/> Fair market value <input type="checkbox"/> Tax book value <input type="checkbox"/> Alternative tax book value		(b) Interest Deductions		(c) All Other Deductions Not Definitely Allocable	(d) Totals (add the corresponding amounts from column (c), Part I; columns (b)(iii) and (b)(iv), Part II; and column (c), Part II). Enter each amount from lines 3a through 3j below in column 10 of the corresponding Schedule A.
	(i) Nonfinancial Corporations	(ii) Financial Corporations	(iii) Nonfinancial Corporations	(iv) Financial Corporations		
1a Totals (see pages 9 and 10 of instructions)						
b Amounts specifically allocable under Temp. Regs. 1.861-10T(e)						
c Other specific allocations under Temp. Regs. 1.861-10T						
d Assets excluded from apportionment formula						
2 Total to be apportioned (subtract the sum of lines 1b, 1c, and 1d from line 1a)						
3 Apportionment among statutory groupings:						
a General limitation income						
b Passive income						
c High withholding tax interest						
d Financial services income						
e Shipping income						
f Taxable income attributable to foreign trade income						
g Certain distributions from a FSC or former FSC						
h Dividends from a DISC or former DISC						
i Section 901(j) income*						
j Income re-sourced by treaty*						
4 Total foreign (add lines 3a through 3j)						

* **Important:** See **Computer-Generated Schedule H** in instructions.