v. D	ecember 20	10)			Delete	Versi	on A, Cycle 1	
			_			GMB No.	1545-1722	
Form	8873		Extraterritorial Income Exclusion				08	
_	nent of the Treasury	Attach to your tax return.				Attachmen	ıt	
	Revenue Service	► See separate instructions.				Sequence	No. 126	
ame(s) as shown on return	I			Identifying	number		
Part		and Other Information						
1		x if you are electing under section 942(a)(3) to exclude a portion of your gross receipts from foreign trading gross the 15. Attach a schedule indicating which receipts are being excluded						
2		ck the box if you are electing to apply the extraterritorial income exclusion provisions to certain transactions involving a FSC instructions). Attach a schedule listing the affected transactions						
3	Check the box	if the taxpayer is a foreign corporation electing to be treated as a	a dom	estic corpora	tion (see ins	tructions) .	. ►	
4a	• •	oted from the foreign economic process requirements because your foreign trading gross						
b	If "No," check the applicable box to indicate how you met the foreign economic process requirements: (1)							
5	See instructions	You met the alternative 85% foreign direct cost test (see instructions). ructions before completing lines 5a through 5c. Note: For transactions for which the exclusion is determined using the foreign						
а	Business activit							
	Check the applicable box to indicate the basis of your reporting: (1) Transaction-by-transaction:							
	(a) 🗌 Aggr	egate on Form 8873 (b) Aggregate on tabular schedul p of transactions	e	(c) 🗌 Tal	oular sched	ule of transac	tion	
Part		Trade Income and Foreign Sale and Leasing Income	<u>`</u>					
	Caution: If a re	elated person is also eligible for an extraterritorial income Excluded property in the instructions.		(a) Foreign T Income	rade	(b) Foreign Leasing I		
6		e, or other disposition of qualifying foreign trade property .	6					
7	-	Int from line 6, column (a), attributable to the sale of property						
	formerly leased	or rented for use by the lessee outside the United States .	7					
8		I of qualifying foreign trade property for use by the lessee						
0		ted States. Enter the same amount in both columns	8					
9		d and subsidiary to the sale, exchange, or other disposition of gn trade property	9					
10		Int from line 9, column (a), attributable to the sale of property	Ŭ					
		I or rented for use by the lessee outside the United States .	10					
11	-	and subsidiary to the lease of qualifying foreign trade property for use						
		side the United States. Enter the same amount in both columns .	11					
12	• •	chitectural services for construction projects outside the United States	12					
13	•	vices provided to unrelated persons (see instructions)	13					
14	attributable to	of the amounts from lines 6, 9, 12, and 13 of column (a) foreign economic processes. Do not include any amounts do n lines 7, 8, 10, or 11 in column (b)						
15	-	d on lines 7, 8, 10, or 11 in column (b) g gross receipts. Add lines 6 through 13 in column (a) ...	14 15					
16	-	bugh 14 in column (b)	16					
17	Cost of goods	,						
а	-	ginning of year	17a					
b			17b					
с	Cost of labor .		17c					
d		ion 263A costs (attach schedule)	17d					
e			17e					
f		3 17a through 17e	17f					
g h	Inventory at end Subtract line 17	d of year	17g 17h					
18	In column (a), s	subtract line 17h from line 15. In column (b), subtract line 17h	171					
19		s and deductions (see instructions) (attach schedule)	18					
20		income. In column (a), subtract line 19 from line 18. If -0- or	13					
-			1	1				

21	Foreign sale and leasing income.	In column (b),	subtract line	19 from line 18
For Pa	aperwork Reduction Act Notice, see	instructions.		C

less, stop here. You do not qualify for the exclusion

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Part	Marginal Costing (Note: If you are not using Marginal Costing, skip Part III and go	to Pa	art IV.)	
Secti	on A — Foreign Trade Income Using Marginal Costing Method			
22	Foreign trading gross receipts. Enter the amount from line 15	22		
23	Costs and expenses allocable to the amount reported on line 22:			
а	Cost of direct material attributable to property sold			
b	Cost of direct labor attributable to property sold			
с	Add lines 23a and 23b	23c		
24	Subtract line 23c from line 22	24		
25	Worldwide gross receipts from sales of the product or product line	25		
26	Costs and expenses allocable to the amount reported on line 25:			
а	Cost of goods sold attributable to property sold			
b	Other expenses and deductions attributable to gross income 26b			
c	Add lines 26a and 26b	26c		
27	Subtract line 26c from line 25. (Note: If -0- or less, stop here. You may not use Part III to determine			
	your qualifying foreign trade income. Go to line 37.).	27		
28	Overall profit percentage. Divide line 27 by line 25. Carry the result to at least three decimal places	28		
29	Overall profit percentage limitation. Multiply line 22 by line 28	29		
30	Foreign trade income using marginal costing. Enter the smaller of line 24 or line 29	30		
Secti	on B — 15% of Foreign Trade Income Method	1 22 1	I	
31	Multiply line 30 by 15% (.15)	31		
32	Foreign trade income using full costing. Enter the amount from line 20	32		
33	Enter the smaller of line 31 or line 32	33		
Secti	on C — 1.2% of Foreign Trading Gross Receipts Method		I	
34	Multiply line 22 by 1.2% (.012)	34		
35	Multiply line 30 by 30% (.30)	35		
36	Enter the smallest of lines 32, 34, or 35	36		
Part			,l	
37	Enter your foreign trade income from line 20	37		
38	Multiply line 37 by 15% (.15)	38		
39	Enter your foreign trading gross receipts from line 15			
40	Multiply line 39 by 1.2% (.012)			
41	Multiply line 38 by 2.0			
42	Enter the smaller of line 40 or line 41	42		
43	Enter your foreign sale and leasing income from line 21	43		
44	Multiply line 43 by 30% (.30)	44		
45	Enter the greatest of lines 33, 36, 38, 42, or 44. If you are using the alternative computation, see			
10	instructions for the amount to enter	45		
	Note: If you do not have a reduction for international boycott operations, illegal bribes, kickbacks, etc.			
	(see the instructions for line 50), skip lines 46 through 51 and enter on line 52 the amount from line 45.			
46	If line 44 equals line 45, divide the amount on line 45 by the amount on			
	line 43. Otherwise, divide the amount on line 45 by the amount on line			
	37. Carry the result to at least three decimal places			
47	If line 44 equals line 45, enter the amount from line 19, column (b).			
	Otherwise, enter the amount from line 19, column (a)			
48	Multiply line 46 by line 47	48		
49	Add lines 45 and 48	49		
50	Reduction for international boycott operations, illegal bribes, kickbacks, etc. (see instructions).	50		
51	Qualifying foreign trade income. Subtract line 50 from line 49. If -0- or less, stop here. You do not			
	qualify for the exclusion	51		
52	Extraterritorial income exclusion (net of disallowed deductions). Subtract line 48 from line 51.			
	Enter the result here and include it on the "other deductions" line of your tax return or schedule (see			
		52		
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