

# Alternative Tax on Qualifying Shipping Activities

▶ **Attach to the corporation's income tax return.**  
 ▶ **See separate instructions.**

Name of corporation (common parent, if consolidated return)	Employer identification number
Name of subsidiary (if consolidated return)	Employer identification number

## Part I Section 1354 Election or Termination

- A** The corporation previously made a valid and timely section 1354 election effective for the tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- B** The corporation is making a section 1354 election for this tax year and all succeeding tax years.
- C** The corporation is revoking its election under section 1354(d)(1) for its tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- D** The corporation's election was automatically terminated under section 1354(d)(2) because the corporation ceased to be a qualifying vessel operator effective \_\_\_\_\_, 20\_\_\_\_.

## Part II Other Information (see instructions)

**E** Is the corporation a member of an electing group? . . . . .  Yes  No  
 If "No," skip item F and go to item G.

**F** If the answer to item E is "Yes":

- (1)** How many corporations are in the electing group? . . . . . ▶ \_\_\_\_\_
- (2)** Enter the number of vessels included under the election for the electing group . . . . . ▶ \_\_\_\_\_
- (3)** Does any member of the electing group have income from qualifying secondary activities or qualifying incidental activities? . . . . .  Yes  No

If "Yes," attach to Form 8902 a worksheet that provides the information requested in item G for each such member of the electing group.

**G** Enter the corporation's gross income from:

- (1)** Core qualifying activities . . . . . \$ \_\_\_\_\_
- (2)** Qualifying secondary activities:
  - (a)** Amount included in 20% limit . . . . . \$ \_\_\_\_\_
  - (b)** Amount that exceeds the 20% limit . . . . . \$ \_\_\_\_\_
- (3)** Qualifying incidental activities:
  - (a)** Amount included in the 0.1% limit . . . . . \$ \_\_\_\_\_
  - (b)** Amount that exceeds the 0.1% limit . . . . . \$ \_\_\_\_\_

**H** Gross income from qualifying shipping activities excluded from gross income on the corporation's income tax return. Add lines G(1), G(2)(a), and G(3)(a) . . . . . \$ \_\_\_\_\_

**Part III Vessel Information**

Description	A	B	C	D
1 Vessel name . . . . .				
2 IMO number . . . . .				
3 USCG VIN number . . . . .				
4 Flag . . . . .				
5 Date flagged . . . . .				
6 Vessel type . . . . .				
7 Vessel used in U.S. foreign trade?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
8 Percentage of U.S. ownership in the vessel . . . . .	%	%	%	%
9 Type of ownership (see instructions)				
10 Type of vessel use (see instructions)				
11 Date placed in service . . . . .				

**Part IV Notional Shipping Income**

	A	B	C	D
12 Dead weight tons . . . . .				
13 Net tons . . . . .				
14 Enter the smaller of line 13 or 25,000				
15 Multiply line 14 by 0.004 . . . . .				
16 Subtract line 14 from line 13 . . . . .				
17 Multiply line 16 by 0.002 . . . . .				
18 <b>Daily notional shipping income.</b> Add lines 15 and 17 . . . . .				
19 Days operated in U.S. foreign trade during the tax year . . . . .				
20 Multiply line 18 by line 19 . . . . .				
21 Ownership percentage . . . . .	%	%	%	%
22 Multiply line 20 by line 21 . . . . .				

If any income from this vessel was excluded from gross income by reason of section 883 or otherwise, complete lines 23 through 27. Otherwise, skip lines 23 through 27 and enter the amount from line 22 on line 28.

	A	B	C	D
23 Gross income excluded under section 883 or otherwise . . . . .				
24 Gross income from operation of vessel in U.S. foreign trade . . . . .				
25 Add lines 23 and 24 . . . . .				
26 Divide line 24 by line 25 . . . . .				
27 Multiply line 22 by line 26 . . . . .				
28 <b>Annual notional shipping income.</b> Enter the amount from line 22 or line 27, whichever applies . . . . .				

**Part V Alternative Tax**

29 Total annual notional shipping income (enter the sum of all columns of Part IV, line 28) . . . . .	\$
30 Alternative tax on qualifying shipping activities. Multiply line 29 by 35%. Enter here and on the "Other taxes" line of Form 1120, Schedule J, or Form 1120-F, Schedule J. Be sure to check the box for Form 8902 . . . . .	\$