



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 as a courtesy. **Do not file draft forms.** Also, do **not** rely on draft forms, instructions, and publications for filing. We generally do not release drafts of forms until we believe we have incorporated all changes. However, unexpected issues sometimes arise, or legislation is passed, necessitating a change to a draft form. In addition, forms generally are subject to OMB approval before they can be officially released. Drafts of instructions and publications usually have at least some changes before being officially released.

Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms), and may remain there even after the final release is posted at [IRS.gov/DownloadForms](https://www.irs.gov/DownloadForms). All information about all forms, instructions, and pubs is at [IRS.gov/Forms](https://www.irs.gov/Forms).

Almost every form and publication also has its own page on IRS.gov. For example, the Form 1040 page is at [IRS.gov/Form1040](https://www.irs.gov/Form1040); the Publication 17 page is at [IRS.gov/Pub17](https://www.irs.gov/Pub17); the Form W-4 page is at [IRS.gov/W4](https://www.irs.gov/W4); and the Schedule A (Form 1040) page is at [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA). If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not in a Search box. Note that these are friendly shortcut links that will automatically go to the actual link for the page.

If you wish, you can submit comments about draft or final forms, instructions, or publications at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). We cannot respond to all comments due to the high volume we receive. Please note that we may not be able to consider many suggestions until the subsequent revision of the product.

**SCHEDULE B
(Form 5713)**

(Rev. September 2018)

Department of the Treasury
Internal Revenue Service

**Specifically Attributable Taxes
and Income (Section 999(c)(2))**

▶ Complete only if you are **not** computing a loss of tax benefits using the international boycott factor on Schedule A (Form 5713).

▶ Attach to Form 5713.

▶ See instructions on page 2.

▶ Go to www.irs.gov/forms-pubs/about-schedule-b-form-5713 for the latest information.

OMB No. 1545-0216

Name _____ Identifying number _____

Name of country being boycotted (check one) Israel Other (identify) ▶ _____

Important: If you are involved in more than one international boycott, use a separate Schedule B (Form 5713) to compute the specifically attributable taxes and income for each boycott.

Specifically Attributable Taxes and Income by Operation (Use a separate line for each operation.)

Principal business activity		Foreign tax credit	Subpart F income	IC-DISC income	FSC income	
Name of country	Code	Description	Foreign taxes attributable to boycott operations	Prorated share of international boycott income	Taxable income attributable to boycott operations	Taxable income attributable to boycott operations
(1)	(2)	(3)	(4)	(5)	(6)	(7)
a						
b						
c						
d						
e						
f						
g						
h						
i						
j						
k						
l						
m						
n						
o Total						

For Paperwork Reduction Act Notice, see the Instructions for Form 5713.

Cat. No. 12060S

Schedule B (Form 5713) (Rev. 9-2018)

Future Developments

For the latest information about developments related to Schedule B (Form 5713) and its instructions, such as legislation enacted after they were published, go to www.irs.gov/forms-pubs/about-schedule-b-form-5713.

General Instructions

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

Who Must File

Complete Schedule B (Form 5713) if:

- You participated in or cooperated with an international boycott, and
- You figure the loss of tax benefits by specifically attributing taxes and income.

If you do not specifically attribute taxes and income for this purpose, you must compute the international boycott factor on Schedule A (Form 5713).

Do not use Schedule B (Form 5713) to figure the reduction to foreign trade income qualifying for the extraterritorial income exclusion. Instead, use Schedule A (Form 5713).

Certain shareholders. IC-DISC benefits, certain FSC benefits, the “deemed paid” foreign tax credit under section 902 (with respect to dividends paid in pre-2018 taxable years of foreign corporations) and 960, and the deferral of subpart F income are lost at the shareholder level. Shareholders in an IC-DISC, certain FSCs, or a foreign corporation must report their prorated share of the tax benefits denied. The denial of these benefits is discussed in the specific instructions for columns (4) through (7).

Boycott Operations

All of your operations in a boycotting country are considered to be boycott operations, unless you rebut the presumption of participation in or cooperation with the boycott (as explained below). In addition, your operations that are not in a boycotting country are boycott operations if they are connected to your participation in or cooperation with the boycott.

Rebutting the presumption of boycott participation or cooperation. One act of participation or cooperation creates the presumption that you participate in or cooperate with the boycott unless you rebut the presumption. The presumption applies to all of your operations and those of each member of any controlled groups (defined in section 993(a)(3)) to which you belong,

in each country that helps carry out the boycott.

You can rebut the presumption of participation in or cooperation with a boycott for a particular operation by demonstrating that the operation is separate from any participation in or cooperation with an international boycott. The presumption applies only to operations in countries that carry out the boycott. Therefore, you do not need to rebut the presumption for operations that are related to those countries if the operations take place outside of those countries.

Specific Instructions

File Schedule B (Form 5713) for the period covered by your income tax return. Report only your own taxes and income; do not include the taxes and income of other members of any controlled groups to which you belong.

Columns (1) through (7)

In completing columns (1) through (7), show all specifically identifiable taxes and income in each appropriate column from one operation on one line.

Column (1). Enter the name of the country that requires participation in or cooperation with an international boycott as a condition of doing business in that country. The country named in column (1) is not necessarily the country where you have operations. For example, if you have operations in Country Z that is not a boycotting country and the operation relates to Country X that is a boycotting country, enter the name of Country X in column (1). See the Instructions for Form 5713 for a list of boycotting countries.

Column (2). Enter the principal business activity code of the boycott operation from the list in the Instructions for Form 5713.

Column (3). Briefly describe the principal business activity of the boycott operation. For IC-DISCs, enter the major product code and description in parentheses. See the Instructions for Schedule N of Form 1120-IC-DISC for a list of the codes.

Column (4). Enter the foreign taxes paid, accrued, or deemed paid that are attributable to the boycott operation. These taxes are not eligible for the foreign tax credit. Omit foreign taxes otherwise disallowed under sections 901 through 907, 911, and 6038. For more information, see Part N of the Treasury Department’s International Boycott Guidelines.

Enter the column (4) total on Schedule C (Form 5713), line 2b.

Column (5). Enter your prorated share of the controlled foreign corporation’s income that is attributable to the boycott operation. (This includes your share of the nonexempt income of an FSC. See section 923(a)(2), as in effect before its repeal.) This amount is not eligible for tax deferral. Omit the foreign corporation’s income attributable to earnings and profits that are included in gross income under section 951 (except by reason of section 952(a)(3)). Also omit amounts excluded from subpart F income by section 952(b). In figuring the amount to enter in column (5), you are allowed a reasonable amount for deductions (including foreign taxes) allocable to that income.

Enter the column (5) total on Schedule C (Form 5713), line 3b.

Column (6). An IC-DISC’s taxable income attributable to boycott participation or cooperation is not eligible for deferral.

If you are a shareholder in an IC-DISC, follow these steps for each boycott operation and enter the result in column (6).

1. Determine the portion of the amount on Form 1120-IC-DISC, Schedule J, Part I, line 7, that is attributable to the boycott operation.
2. Subtract that amount from the IC-DISC’s taxable income attributable to the boycott operation for the tax year, before reduction for any distributions.
3. If you are a C corporation, determine your pro rata share of the remainder and multiply that amount by 16/17. If you are not a C corporation, determine your pro rata share of the remainder.

4. Enter the result in column (6).

Enter the column (6) total on Schedule C (Form 5713), line 4b.

Column (7). An FSC’s taxable income attributable to boycott participation or cooperation is not eligible for exemption from income tax. Enter in column (7) the taxable income attributable to foreign trade income of an FSC for each boycott operation that would have been exempt had there not been boycott participation or cooperation.

Enter the column (7) total on Schedule C (Form 5713), line 5b.