

Inclusion of Deferred Foreign Income Upon Transition to Participation Exemption System

▶ Attach to tax return.

▶ Go to www.irs.gov/Form965 for instructions and the latest information.

For calendar year 20	,	or other tax year beginning	,	20	,	and ending	,	20	,	of the filer.	
Name of person filing this return								Identifying number			

Note. Throughout this form, the term “2018 tax year” refers to 2018 calendar tax years and fiscal tax years of the person filing this return that begin in 2018. The term “2017 tax year” refers to 2017 calendar tax years and fiscal tax years of the person filing this return that begin in 2017.

Part I Section 965(a) Inclusion	
1 2018 tax year section 965(a) inclusion amounts from Schedule A. Enter the sum of column (k) of Schedule A	1
2 2018 tax year section 965(a) inclusions from pass-throughs. Attach schedule	2
3 Total 2018 tax year section 965(a) inclusion. Add lines 1 and 2. Enter the sum here and on your tax return as follows. Corporations: Enter the line 3 total on Form 1120, Schedule C, line 15, column (a), or the corresponding line of other corporate tax returns. All others: See instructions ▶	3
4 2017 tax year section 965(a) inclusion amounts from Schedule A. Enter the sum of column (j) of Schedule A	4
5 2017 tax year section 965(a) inclusions from pass-throughs. Attach schedule	5
6 Total 2017 tax year section 965(a) inclusion. Add lines 4 and 5 ▶	6

Part II Section 965(c) Deduction	
SECTION 1—Section 965(c) Deduction by Tax Year	2018 Tax Year
7 Enter the amount from Part I, line 1. If -0-, skip to line 16	7
8 Aggregate Foreign Cash Position. Enter the sum from Schedule D, line 21	8
9 Enter the smaller of line 7 or 8	9
10 Enter the 2018 15.5% Rate Equivalent Percentage from Part II, Section 2. Enter amount from Section 2, line 1a	10
11 Section 965(c) Deduction Related to 15.5% Rate Equivalent Percentage. Multiply line 9 by line 10	11
12 Subtract line 9 from line 7	12
13 Enter the 2018 8% Rate Equivalent Percentage from Part II, Section 2. Enter amount from Section 2, line 1b	13
14 Section 965(c) Deduction Related to 8% Rate Equivalent Percentage. Multiply line 12 by line 13	14
15 2018 tax year section 965(c) deduction not from pass-throughs. Add lines 11 and 14	15
16 2018 tax year section 965(c) deduction from pass-throughs. Attach schedule	16
17 Total 2018 tax year section 965(c) deduction. Add lines 15 and 16. Enter the sum here and on your tax return as follows. Corporations: Enter the line 17 total on Form 1120, Schedule C, line 15, column (c), or the corresponding line of other corporate tax returns. All others: See instructions	17

SECTION 1—Section 965(c) Deduction by Tax Year <i>(continued)</i>		2017 Tax Year
18	Enter the amount from Part I, line 4. If -0-, skip to line 27	18
19	Aggregate Foreign Cash Position. Enter the sum from Schedule D, line 19	19
20	Enter the smaller of line 18 or 19	20
21	Enter the 2017 15.5% Rate Equivalent Percentage from Part II, Section 2. For calendar year persons, enter amount from Section 2, line 1a. For fiscal year persons, enter amount from Section 2, line 2c	21
22	Section 965(c) Deduction Related to 15.5% Rate Equivalent Percentage. Multiply line 20 by line 21	22
23	Subtract line 20 from line 18	23
24	Enter the 2017 8% Rate Equivalent Percentage from Part II, Section 2. For calendar year persons, enter amount from Section 2, line 1b. For fiscal year persons, enter amount from Section 2, line 2e	24
25	Section 965(c) Deduction Related to 8% Rate Equivalent Percentage. Multiply line 23 by line 24	25
26	2017 tax year section 965(c) deductions not from pass-throughs. Add lines 22 and 25	26
27	2017 tax year section 965(c) deductions from pass-throughs. Attach schedule	27
28	Total 2017 tax year section 965(c) deductions. Add lines 26 and 27	28

SECTION 2—Rate Equivalent Percentages

1	Calendar Year Persons	2017 Calendar Year	2018 Tax Year
a	15.5 Percent Rate Equivalent Percentage		
b	8 Percent Rate Equivalent Percentage		
2	2017 Fiscal Year Persons		
a	Enter the section 15 blended rate calculated in accordance with section 965(c)(2) (see instructions) 15.5 Percent Rate Equivalent Percentage	2a	
b	Subtract 15.5% from line 2a	2b	
c	Divide line 2b by line 2a 8 Percent Rate Equivalent Percentage	2c	
d	Subtract 8% from line 2a	2d	
e	Divide line 2d by line 2a	2e	

Part III Elections		Yes	No
A	Was an election made to pay the net tax liability over 8 years as provided for in section 965(h)?		
B	Complete if a shareholder in an S corporation. Was an election made to defer payment of net tax liability as provided for in section 965(i)?		
C	Complete if a Real Estate Investment Trust. Was an election made to include income over 8 years as provided for in section 965(m)?		
D	Was an election made not to apply a net operating loss deduction as provided in section 965(n)?		
E	Was the election provided for in Regulations section 1.965-2(f)(2) made?		