

**SCHEDULE K-2  
(Form 1120-S)**

Department of the Treasury  
Internal Revenue Service

Name of corporation

**Shareholders' Pro Rata Share Items—International**

▶ Attach to Form 1120-S.

▶ Go to [www.irs.gov/Form1120S](http://www.irs.gov/Form1120S) for instructions and the latest information.

OMB No. 1545-0123

**2021**

Employer identification number (EIN)

**A** Check to indicate the parts of Schedule K-2 that apply.

	Yes	No
<b>1</b> Does Part I apply? If "Yes," complete and attach Part I . . . . .	<b>1</b>	
<b>2</b> Does Part II apply? If "Yes," complete and attach Part II . . . . .	<b>2</b>	
<b>3</b> Does Part III apply? If "Yes," complete and attach Part III . . . . .	<b>3</b>	
<b>4</b> Does Part IV apply? If "Yes," complete and attach Part IV . . . . .	<b>4</b>	
<b>5</b> Does Part V apply? If "Yes," complete and attach Part V . . . . .	<b>5</b>	
<b>6</b> Does Part VI apply? If "Yes," complete and attach Part VI . . . . .	<b>6</b>	
<b>7</b> Does Part VII apply? If "Yes," complete and attach Part VII . . . . .	<b>7</b>	

**Part I Corporation's Other Current Year International Information**

Check box(es) for additional specified attachments. See instructions.

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> 1. Gain on personal property sale | <input type="checkbox"/> 4. Foreign tax translation           | <input type="checkbox"/> 7. Form 8858 information | <input type="checkbox"/> 10. Shareholder loan transactions                                   |
| <input type="checkbox"/> 2. Foreign oil and gas taxes      | <input type="checkbox"/> 5. High-taxed income                 | <input type="checkbox"/> 8. Form 5471 information | <input type="checkbox"/> 11. Entity treatment for certain S corporations                     |
| <input type="checkbox"/> 3. Splitter arrangements          | <input type="checkbox"/> 6. Section 267A disallowed deduction | <input type="checkbox"/> 9. Other forms           | <input type="checkbox"/> 12. Other international items<br>(attach description and statement) |

**Part II Foreign Tax Credit Limitation**

**Section 1—Gross Income**

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
<b>1</b> Sales							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>2</b> Gross income from performance of services							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>3</b> Gross rental real estate income							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>4</b> Other gross rental income							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							

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**Part II Foreign Tax Credit Limitation** *(continued)*

**Section 1 – Gross Income** *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
<b>5</b> Reserved for future use . . . . .							
<b>6</b> Interest income							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>7</b> Ordinary dividends (exclude amount on line 8)							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>8</b> Qualified dividends							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>9</b> Reserved for future use . . . . .							
<b>10</b> Royalties and license fees							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>11</b> Net short-term capital gain							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>12</b> Net long-term capital gain							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>13</b> Collectibles (28%) gain							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>14</b> Unrecaptured section 1250 gain							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							

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**Part II Foreign Tax Credit Limitation** *(continued)*

**Section 1 – Gross Income** *(continued)*

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
<b>15</b> Net section 1231 gain							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>16</b> Section 986(c) gain . . . . .							
<b>17</b> Section 987 gain . . . . .							
<b>18</b> Section 988 gain . . . . .							
<b>19</b> Section 951(a) inclusions							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>20</b> Other income (see instructions)							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>21</b> Section 951A(a) inclusions (see instructions) . . . . .							
<b>22</b> Reserved for future use							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>23</b> Reserved for future use							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							
<b>24</b> <b>Total gross income</b> (combine lines 1 through 23) . . . . . ▶							
<b>A</b> _____							
<b>B</b> _____							
<b>C</b> _____							

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**Part II Foreign Tax Credit Limitation (continued)**  
**Section 2—Deductions**

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other category income (category code _____)		
25 Expenses allocable to sales income . . . . .							
26 Expenses allocable to gross income from performances of services . . . . .							
27 Net short-term capital loss . . . . .							
28 Net long-term capital loss . . . . .							
29 Collectibles loss . . . . .							
30 Net section 1231 loss . . . . .							
31 Other losses . . . . .							
32 Research & experimental (R&E) expenses							
<b>A</b> SIC code . . . . .							
<b>B</b> SIC code . . . . .							
<b>C</b> SIC code . . . . .							
33 Allocable rental expenses—depreciation, depletion, and amortization							
34 Allocable rental expenses—other than depreciation, depletion, and amortization							
35 Allocable royalty and licensing expenses—depreciation, depletion, and amortization . . . . .							
36 Allocable royalty and licensing expenses—other than depreciation, depletion, and amortization . . . . .							
37 Depreciation not included on line 33 or 35 . . . . .							
38 Charitable contributions . . . . .							
39 Interest expense specifically allocable under Regulations section 1.861-10(e)							
40 Other interest expense specifically allocable under Regulations section 1.861-10T . . . . .							
41 Other interest expense—business . . . . .							
42 Other interest expense—investment . . . . .							
43 Other interest expense—passive activity . . . . .							
44 Section 59(e)(2) expenditures, excluding R&E expenses on line 32 . . . . .							
45 Foreign taxes not creditable but deductible . . . . .							

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**Part II Foreign Tax Credit Limitation** (continued)

**Section 2—Deductions** (continued)

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____)		
46 Section 986(c) loss . . . . .							
47 Section 987 loss . . . . .							
48 Section 988 loss . . . . .							
49 Other allocable deductions (see instructions) . . . . .							
50 Other apportioned share of deductions (see instructions) . . . . .							
51 Reserved for future use . . . . .							
52 Reserved for future use . . . . .							
53 Reserved for future use . . . . .							
54 <b>Total deductions</b> (combine lines 25 through 53) . . . . . ▶							
55 <b>Net income (loss)</b> (subtract line 54 from line 24) . . . . . ▶							

**Part III Other Information for Preparation of Form 1116 or 1118**

**Section 1—R&E Expenses Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
1 Gross receipts by SIC code							
A SIC code							
B SIC code							
C SIC code							
D SIC code							
E SIC code							
F SIC code							
2 Exclusive apportionment with respect to total R&E expenses entered on Part II, line 32. Enter the following.							
A R&E expense with respect to activity performed in the United States							
(i) SIC code _____ . . . . . ▶							2A(i)
(ii) SIC code _____ . . . . . ▶							2A(ii)
(iii) SIC code _____ . . . . . ▶							2A(iii)
B R&E expense with respect to activity performed outside the United States							
(i) SIC code _____ . . . . . ▶							2B(i)
(ii) SIC code _____ . . . . . ▶							2B(ii)
(iii) SIC code _____ . . . . . ▶							2B(iii)

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**Part III** Other Information for Preparation of Form 1116 or 1118 (continued)

**Section 2—Interest Expense Apportionment Factors**

Description	(a) U.S. source	Foreign Source				(f) Sourced by shareholder	(g) Total
		(b) Foreign branch category income	(c) Passive category income	(d) General category income	(e) Other (category code _____) (country code _____)		
<b>1</b> Total average value of assets . . . . .							
<b>2</b> Reserved for future use . . . . .							
<b>3</b> Assets attracting directly allocable interest expense under Regulations section 1.861-10(e) . . . . .							
<b>4</b> Other assets attracting directly allocable interest expense under Regulations section 1.861-10T . . . . .							
<b>5</b> Assets excluded from apportionment formula . . . . .							
<b>6a</b> Total assets used for apportionment (subtract the sum of lines 3, 4, and 5 from the sum of lines 1 and 2) . . . . .							
<b>b</b> Assets attracting business interest expense . . . . .							
<b>c</b> Assets attracting investment interest expense . . . . .							
<b>d</b> Assets attracting passive activity interest expense . . . . .							
<b>7</b> Basis in stock of 10%-owned noncontrolled foreign corporations (see attachment) . . . . .							
<b>8</b> Basis in stock of CFCs (see attachment)							

Name of corporation

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**Part III** Other Information for Preparation of Form 1116 or 1118 (continued)

**Section 3—Foreign Taxes**

Description	(a) Type of tax	(b) Section 951A category income		(c) Foreign branch category income		
		U.S.	Foreign	U.S.	Foreign	Shareholder
<b>1</b> Direct (section 901 or 903) foreign taxes: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued						
<b>A</b> _____						
<b>B</b> _____						
<b>C</b> _____						
<b>D</b> _____						
<b>E</b> _____						
<b>F</b> _____						
<b>2</b> Reduction of taxes (total)						
<b>A</b> Taxes on foreign mineral income . . . . .						
<b>B</b> Reserved for future use . . . . .						
<b>C</b> International boycott provisions . . . . .						
<b>D</b> Failure-to-file penalties . . . . .						
<b>E</b> Taxes with respect to splitter arrangements . .						
<b>F</b> Taxes on foreign corporate distributions . . .						
<b>G</b> Other . . . . .						
<b>3</b> Foreign tax redeterminations						
<b>A</b> _____						
Related tax year ▶ _____						
Date tax paid ▶ _____						
<b>B</b> _____						
Related tax year ▶ _____						
Date tax paid ▶ _____						
<b>C</b> _____						
Related tax year ▶ _____						
Date tax paid ▶ _____						
<b>4</b> Reserved for future use . . . . .						
<b>5</b> Reserved for future use . . . . .						
<b>6</b> Reserved for future use . . . . .						

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**Part III** Other Information for Preparation of Form 1116 or 1118 (continued)

**Section 3—Foreign Taxes** (continued)

	(d) Passive category income			(e) General category income			(f) Other (category code _____)	(g) Total
	U.S.	Foreign	Shareholder	U.S.	Foreign	Shareholder		
<b>1</b>								
<b>A</b>								
<b>B</b>								
<b>C</b>								
<b>D</b>								
<b>E</b>								
<b>F</b>								
<b>2</b>								
<b>A</b>								
<b>B</b>								
<b>C</b>								
<b>D</b>								
<b>E</b>								
<b>F</b>								
<b>G</b>								
<b>3</b>								
<b>A</b>								
<b>B</b>								
<b>C</b>								
<b>4</b>								
<b>5</b>								
<b>6</b>								



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**Part IV Distributions From Foreign Corporations to Corporation**

	(a) Name of distributing foreign corporation	(b) EIN or reference ID number	(c) Date of distribution	(d) Functional currency of distributing foreign corporation	(e) Amount of distribution in functional currency
A					
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
N					
O					

	(f) Amount of E&P distribution in functional currency	(g) Spot rate (functional currency to U.S. dollars)	(h) Amount of distribution in U.S. dollars	(i) Amount of E&P distribution in U.S. dollars	(j) Qualified foreign corporation	(k) Reserved for future use
A					<input type="checkbox"/>	
B					<input type="checkbox"/>	
C					<input type="checkbox"/>	
D					<input type="checkbox"/>	
E					<input type="checkbox"/>	
F					<input type="checkbox"/>	
G					<input type="checkbox"/>	
H					<input type="checkbox"/>	
I					<input type="checkbox"/>	
J					<input type="checkbox"/>	
K					<input type="checkbox"/>	
L					<input type="checkbox"/>	
M					<input type="checkbox"/>	
N					<input type="checkbox"/>	
O					<input type="checkbox"/>	

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**Part V Information on Shareholders' Section 951(a)(1) and Section 951A Inclusions**

- a Separate category (enter code—see instructions) . . . . .
- b If U.S. source, complete as a separate Part V by separate category and check box . . . . .

	(a) Name of CFC	(b) EIN or reference ID number	(c) Ending of CFC tax year	(d) Shareholders' share of CFC items through their ownership in the corporation ("aggregate share")	(e) Aggregate share of subpart F income	(f) Aggregate section 951(a)(1)(B) inclusion	(g) Tested income
A							
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							

**1 Corporation total** (sum for all CFCs) . . . . .

	(h) Tested loss	(i) Aggregate share of tested income	(j) Aggregate share of tested loss	(k) Aggregate share of Qualified Business Asset Investment (QBAI)	(l) Aggregate share of the tested loss QBAI amount	(m) Aggregate share of tested interest income	(n) Aggregate share of tested interest expense
A							
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
1							





Name of corporation

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**Part VII Corporation's Interest in Foreign Corporation Income (Section 960)**

- A** Enter EIN or reference ID number of controlled foreign corporation \_\_\_\_\_ **B** Separate category (enter code—see instructions) \_\_\_\_\_
- C** If PAS was entered on line B, enter the applicable grouping under Regulations section 1.904-4(c). See instructions . . . . .
- D** Check the box and attach a statement if there is more than one source country for a line. See instructions . . . . .
- E** If U.S. source, check the box and complete a separate Part VII . . . . .
- F** If FORI or FOGEI, check the box and attach a separate Part VII . . . . .

<i>Enter amounts in functional currency of the foreign corporation (unless otherwise noted).</i>	(i) Country code	(ii) Corporation's share of net income	(iii) Corporation's share of average asset value	(iv) Reserved for future use
<b>1</b> Subpart F income groups				
<b>a</b> Dividends, interest, rents, royalties, and annuities (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>b</b> Net gain from certain property transactions (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>c</b> Net gain from commodities transactions (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>d</b> Net foreign currency gain (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>e</b> Income equivalent to interest (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>f</b> Foreign base company sales income (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>g</b> Foreign base company services income (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>h</b> Full inclusion foreign base company income (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>i</b> Insurance income (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>j</b> International boycott income (total) . . . . .				
<b>k</b> Bribes, kickbacks, and other payments (total) . . . . .				
<b>l</b> Section 901(j) (total) . . . . .				

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<b>Part VII Corporation's Interest in Foreign Corporation Income (Section 960) (continued)</b>				
<i>Enter amounts in functional currency of the foreign corporation (unless otherwise noted).</i>	<b>(i)</b> Country code	<b>(ii)</b> Corporation's share of net income	<b>(iii)</b> Corporation's share of average asset value	<b>(iv)</b> Reserved for future use
<b>2</b> Recaptured subpart F income . . . . .				
<b>3</b> Tested income group (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>4</b> Residual income group (total) . . . . .				
<b>(1)</b> Unit				
<b>(2)</b> Unit				
<b>5 Total</b> . . . . . ▶				