

**SCHEDULE I
(Form 1118)**

(Rev. November 1991)
Internal Revenue Service
Department of the Treasury

Reduction of Oil and Gas Extraction Taxes

▶ Attach to Form 1118

OMB No. 1545-0122
Expires 11-30-94

For calendar year 19____, or other tax year beginning____, 19____, and ending____, 19____

Name _____ Employer identification number _____

Part I Foreign Oil and Gas Extraction Income and Taxes

1. Name of foreign country (Use a separate line for each country.)	Gross Foreign Oil and Gas Extraction Income From Sources Outside the U.S. and its Possessions						7. Total (add columns 2 through 6)
	2. Gross income from extraction of minerals from oil or gas wells	3. Gross income from sale or exchange of assets used in extraction	4. Certain dividends from foreign corporations	5. Constructive distributions under section 951(a)	6. Other	7. Total (add columns 2 through 6)	
A							
B							
C							
D							
E							
F							
G							

Totals (add lines A through G)

Deductions

11. Taxable income (column 7 less column 10)

OIL AND GAS EXTRACTION TAXES (attach schedule)

8. Definitely allocable deductions	9. Ratable part of deductions not definitely allocable	10. Total (add columns 8 and 9)	12. Paid or accrued		14. Total (add columns 12 and 13)
			13. Deemed paid	14. Total (add columns 12 and 13)	
A					
B					
C					
D					
E					
F					
G					

Totals (add lines A through G)

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 1118.

Cat. No. 10237L

Schedule I (Form 1118) (Rev. 11-91)

Part II Computation of Reduction Under Section 907(a)

1	Foreign oil and gas extraction income (see specific instructions below)	
2	Line 1 times highest rate of tax (see specific instructions below)	
3	Total taxes (from Part I, column 14, "Totals" line)	
4	Carryover or carryback under section 907(f) (attach schedule)	
5	Total taxes before reduction (add line 3 and line 4)	
6	Reduction (subtract line 2 from line 5; if zero or less, enter -0-). Enter here and on line C, Part II, Schedule G of the corresponding Form 1118	

General Instructions

(Section references are to the Internal Revenue Code.)

A. Who Must File.—Complete Schedule I (Form 1118) if you claim a credit for any income taxes paid, accrued, or deemed to have been paid during the tax year with respect to foreign oil and gas extraction income. See section 907(a) and Regulations section 1.907(a)-1 for details.

Note: *Schedule I must be completed for each applicable separate limitation.*

B. Method of Reporting.—Report all amounts in U.S. dollars. If it is necessary to convert from foreign currency, attach a statement explaining how you determined the rate.

Specific Instructions

Note: *A net extraction loss from a foreign country offsets extraction income from other foreign countries.*

Part I

Column 2.—Enter gross income derived from sources outside the U.S. and its possessions from extraction (by you or any other person) of minerals from oil or gas wells located outside the U.S. and its possessions. See section 907(c)(1)(A) and Regulations section 1.907(c)-1(b) for details.

Column 3.—Enter gross income derived from sources outside the U.S. and its possessions from the sale or exchange of assets used in the trade or business of extracting minerals from oil or gas wells located outside the U.S. and its possessions. See section 907(c)(1)(B) and Regulations section 1.907(c)-1(b) for details.

Column 4.—Enter dividends from a foreign corporation for which taxes are deemed paid under section 902 to the extent the dividends are attributable to foreign oil and gas extraction income. See section 907(c)(3)(A) and Regulations section 1.907(c)-2 for details.

Column 5.—Enter amounts for which taxes are deemed paid under section 960(a) to the extent those amounts are attributable to foreign oil and gas extraction income. See section 907(c)(3)(B) and Regulations section 1.907(c)-2 for details.

Column 6.—Include your distributive share of partnership income to the extent the share is attributable to foreign oil and gas extraction income. See section 907(c)(3)(C) and Regulations section 1.907(c)-2 for details.

Columns 12 and 13.—The attached schedule must show in detail the determination of the amount of foreign taxes paid, accrued, or deemed paid with respect to foreign oil and gas extraction income.

Part II

Line 1.—Enter the "total" from column 11, Part I less any "recapture of foreign oil and gas extraction losses by recharacterizing later extraction income" described in section 907(c)(4).

Line 2.—At the time this schedule went to print, the highest rate of tax specified under section 11(b) was 34%.