

**Election To Be Treated as a Possessions Corporation Under Section 936**  
**(Do NOT Attach to Your Tax Return—File Separately)**

*The corporation named below elects under section 936(e) of the Internal Revenue Code to be treated as a possessions corporation for income tax purposes.*

Name of corporation		a Employer identification number
Number, street, and room or suite no. (If a P.O. box, see instructions)		b Date of incorporation
City or town, state, and ZIP code		c Place of incorporation
d Business code number	e Principal business activity	f Principal product or service
g Election takes effect for the tax year beginning (month, day, year)	h Date corporation began business in a U.S. possession	i Annual return will be filed for the tax year ending (enter the month or "unknown")

Description of each class of stock	Number of shares of each class issued and outstanding

Submit the following information for each shareholder who owns 10% or more of the issued and outstanding stock of any class:

Name of shareholder	Identifying number	Address	Class of stock	Number of shares owned

Under penalties of perjury, I declare that I have been duly authorized by the above-named corporation to make this election and that the statements made are, to the best of my knowledge and belief, true, correct, and complete.

Signature and title of officer	Date
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# Instructions

Section references are to the Internal Revenue Code.

## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . . . 4 hr., 47 min.

**Learning about the law or the form** . . . . . 30 min.

**Preparing and sending the form to the IRS** . . . . . 36 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Attention: Tax Forms Committee, PC:FP, Washington, DC 20224.

**DO NOT** send the form to this address. Instead, see **Where To File** below.

## Purpose of Form

Form 5712 must be completed by domestic corporations that elect to be treated as possessions corporations under section 936.

## Who Can Elect

Only domestic corporations can elect to be treated as possessions corporations.

## When To File

File Form 5712 by the due date (including extensions) of the first return to which the election will apply.

## Where To File

File this form with the Internal Revenue Service Center, Philadelphia, PA 19255. File it **separately** from your regular income tax return.

## U.S. Possessions

For purposes of this election, U.S. possessions include Puerto Rico and the Virgin Islands.

## Period of Election

The election applies to the first tax year the election was made, and each subsequent tax year unless revoked, and for each tax year the domestic corporation qualifies under section 936(a).

Generally, an election under section 936(a) may be revoked during the first 10 years of section 936 status only with the consent of the Commissioner. After the 10th year, the Commissioner's consent is not needed. Requests to revoke the election should be sent to the District Director having jurisdiction over the corporation's tax return. See section 936(e)(2) for more details.

## Form 5712-A

Use **Form 5712-A**, Election and Verification of the Cost Sharing or Profit Split Method Under Section 936(h)(5), to elect either the cost sharing method or the profit split method. These methods allow the possessions corporation to share either its costs or its profits with its affiliates. When making either election, attach Form 5712-A to Schedule P (Form 5735). See Form 5712-A for more details.

## Form 5735

For each year the election is in effect, **Form 5735**, Possessions Corporation Tax Credit Allowed Under Section 936, must be completed and attached to the corporation's income tax return.

## Consolidated Returns

A corporation may not join in filing a consolidated return for any year this election is in effect.

## Business Classification

See the Codes for Principal Business Activity and Principal Product or Service in the Instructions for Forms 1120 and 1120-A and enter the business code number, principal business activity, and principal product or service.

## Address

If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the box number instead of the street address.

## Identifying Number

For individuals, the identifying number is their social security number. For all others, it is the employer identification number.

## Signature

This form must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate officer (such as tax officer) authorized to sign.