

Foreign Tax Credit—Corporations

▶ Attach to the corporation's tax return.
 ▶ See separate instructions.

OMB No. 1545-0122

For calendar year 20____, or other tax year beginning____, 20____, and ending____, 20____

Name of corporation _____

Employer identification number _____

Use a **separate** Form 1118 for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5. Check only one box on each form.

- Passive Category Income Section 901(j) Income: Name of Sanctioned Country ▶ _____
- General Category Income Income Re-sourced by Treaty: Name of Country ▶ _____

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See page 5 of instructions.)

| 1. Foreign Country or U.S. Possession (Enter two-letter code from list beginning on page 11 of instructions. Use a separate line for each.)* | Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F) | | | | | | | | |
|--|--|------------------------|----------------------|------------------------|-------------|---|--|----------------------------|---------------------------------------|
| | 2. Deemed Dividends (see instructions) | | 3. Other Dividends | | 4. Interest | 5. Gross Rents, Royalties, and License Fees | 6. Gross Income From Performance of Services | 7. Other (attach schedule) | 8. Total (add columns 2(a) through 7) |
| | (a) Exclude gross-up | (b) Gross-up (sec. 78) | (a) Exclude gross-up | (b) Gross-up (sec. 78) | | | | | |
| A | | | | | | | | | |
| B | | | | | | | | | |
| C | | | | | | | | | |
| D | | | | | | | | | |
| E | | | | | | | | | |
| F | | | | | | | | | |
| Totals (add lines A through F) | | | | | | | | | |

* For section 863(b) income, NOLs, income from RICs, and high-taxed income, use a single line (see Schedule A on page 5 of the instructions).

| 9. Definitely Allocable Deductions | | | | | 10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d)) | 11. Net Operating Loss Deduction | 12. Total Deductions (add columns 9(e) through 11) | 13. Total Income or (Loss) Before Adjustments (subtract column 12 from column 8) |
|---|--------------------|---|---|---|---|----------------------------------|--|--|
| Rental, Royalty, and Licensing Expenses | | (c) Expenses Related to Gross Income From Performance of Services | (d) Other Definitely Allocable Deductions | (e) Total Definitely Allocable Deductions (add columns 9(a) through 9(d)) | | | | |
| (a) Depreciation, Depletion, and Amortization | (b) Other Expenses | | | | | | | |
| A | | | | | | | | |
| B | | | | | | | | |
| C | | | | | | | | |
| D | | | | | | | | |
| E | | | | | | | | |
| F | | | | | | | | |
| Totals | | | | | | | | |

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)

Part I—Foreign Taxes Paid, Accrued, and Deemed Paid (see page 6 of instructions)

| 1. Credit is Claimed for Taxes: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued Date Paid Date Accrued | | 2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used) | | | | | | | 3. Tax Deemed Paid (from Schedule C—Part I, column 10, Part II, column 8(b), and Part III, column 8) |
|--|--|--|--------------|--|---|---------------------------|---------------------|-----------|--|
| | | Tax Withheld at Source on: | | | Other Foreign Taxes Paid or Accrued on: | | | | |
| | | (a) Dividends | (b) Interest | (c) Rents, Royalties, and License Fees | (d) Section 863(b) Income | (e) Foreign Branch Income | (f) Services Income | (g) Other | |
| A | | | | | | | | | |
| B | | | | | | | | | |
| C | | | | | | | | | |
| D | | | | | | | | | |
| E | | | | | | | | | |
| F | | | | | | | | | |
| Totals (add lines A through F) | | | | | | | | | |

Part II—Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

| | | | |
|-----------|--|-----|--|
| 1 | Total foreign taxes paid or accrued (total from Part I, column 2(h)) | | |
| 2 | Total taxes deemed paid (total from Part I, column 3) | | |
| 3 | Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G) | () | |
| 4 | Total carryover of foreign taxes (attach schedule showing computation in detail—see page 6 of the instructions) | | |
| 5 | Total foreign taxes (combine lines 1 through 4) | | |
| 6 | Enter the amount from the applicable column of Schedule J, Part I, line 11 (see page 6 of instructions). If Schedule J is not required to be completed, enter the result from the “Totals” line of column 13 of the applicable Schedule A | | |
| 7a | Total taxable income from all sources (enter taxable income from the corporation’s tax return) | | |
| b | Adjustments to line 7a (see page 6 of instructions) | | |
| c | Subtract line 7b from line 7a | | |
| 8 | Divide line 6 by line 7c. Enter the resulting fraction as a decimal (see instructions). If line 6 is greater than line 7c, enter 1 | | |
| 9 | Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus American Samoa economic development credit) | | |
| 10 | Credit limitation (multiply line 8 by line 9) (see page 6 of instructions) | | |
| 11 | Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III) | | |

Part III—Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. **Do not** include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.)

| | | | |
|----------|---|--|--|
| 1 | Credit for taxes on passive category income | | |
| 2 | Credit for taxes on general category income | | |
| 3 | Credit for taxes on income re-sourced by treaty (combine all such credits on this line) | | |
| 4 | Total (add lines 1 through 3) | | |
| 5 | Reduction in credit for international boycott operations (see page 6 of instructions) | | |
| 6 | Total foreign tax credit (subtract line 5 from line 4). Enter here and on the appropriate line of the corporation’s tax return | | |

Schedule D Tax Deemed Paid by First- and Second-Tier Foreign Corporations under Section 902(b)

Use Part I to compute the tax deemed paid by a first-tier foreign corporation with respect to dividends from a second-tier foreign corporation. Use Part II to compute the tax deemed paid by a second-tier foreign corporation with respect to dividends from a third-tier foreign corporation. **Report all amounts in U.S. dollars unless otherwise specified.**

Part I—Tax Deemed Paid by First-Tier Foreign Corporations

Section A—Dividends Paid Out of Post-1986 Undistributed Earnings (Include the column 10 results in Schedule C, Part I, column 6(b).)

| 1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|-------------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (see instructions) | | (a) of Second-tier Corporation | (b) of First-tier Corporation | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Section B—Dividends Paid Out of Pre-1987 Accumulated Profits (Include the column 8(b) results in Schedule C, Part I, column 6(b).)

| 1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Accumulated Profits for Tax Year Indicated (in functional currency—attach schedule) | 5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (in functional currency—see instructions) | 6. Dividends Paid (in functional currency) | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (see instructions) | |
|---|--|--|--|--|--|-------------------------------|-----------------------------------|--|------------------|
| | | | | | (a) of Second-tier Corporation | (b) of First-tier Corporation | | (a) Functional Currency of Second-tier Corporation | (b) U.S. Dollars |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Part II—Tax Deemed Paid by Second-Tier Foreign Corporations

Section A—Dividends Paid Out of Post-1986 Undistributed Earnings (Include the column 10 results in Section A, column 6(b), of Part I above.)

| 1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|--------------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Schedule E, Part I, column 10) | | (a) of Third-tier Corporation | (b) of Second-tier Corporation | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Section B—Dividends Paid Out of Pre-1987 Accumulated Profits (Include the column 8(b) results in Section A, column 6(b), of Part I above.)

| 1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Accumulated Profits for Tax Year Indicated (in functional currency—attach schedule) | 5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (in functional currency—see instructions) | 6. Dividends Paid (in functional currency) | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (see instructions) | |
|---|--|--|--|--|--|--------------------------------|-----------------------------------|--|------------------|
| | | | | | (a) of Third-tier Corporation | (b) of Second-tier Corporation | | (a) In Functional Currency of Third-tier Corporation | (b) U.S. Dollars |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Schedule E Tax Deemed Paid by Certain Third-, Fourth-, and Fifth-Tier Foreign Corporations Under Section 902(b)

Use this schedule to report taxes deemed paid with respect to dividends from eligible post-1986 undistributed earnings of fourth-, fifth- and sixth-tier controlled foreign corporations. **Report all amounts in U.S. dollars unless otherwise specified.**

Part I—Tax Deemed Paid by Third-Tier Foreign Corporations (Include the column 10 results in Schedule D, Part II, Section A, column 6(b).)

| 1. Name of Fourth-Tier Foreign Corporation and Its Related Third-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|---|---|--|-----------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Part II, column 10) | | (a) Of Fourth-tier CFC | (b) Of Third-tier CFC | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Part II—Tax Deemed Paid by Fourth-Tier Foreign Corporations (Include the column 10 results in column 6(b) of Part I above.)

| 1. Name of Fifth-Tier Foreign Corporation and Its Related Fourth-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Part III, column 10) | | (a) Of Fifth-tier CFC | (b) Of Fourth-tier CFC | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Part III—Tax Deemed Paid by Fifth-Tier Foreign Corporations (Include the column 10 results in column 6(b) of Part II above.)

| 1. Name of Sixth-Tier Foreign Corporation and Its Related Fifth-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid For Tax Year Indicated | 7. Post-1986 Foreign Income Taxes (add columns 5 and 6) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|--|--|--|--|--|--|---|--|-----------------------|-----------------------------------|---|
| | | | | | | | (a) Of Sixth-tier CFC | (b) Of Fifth-tier CFC | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| Schedule F Gross Income and Definitely Allocable Deductions for Foreign Branches | | | Schedule G Reductions of Taxes Paid, Accrued, or Deemed Paid | | |
|---|--|-----------------|---|---|---|
| 1. Name of Foreign Country or U.S. Possession (Use a separate line for each.) | | 2. Gross Income | 3. Definitely Allocable Deductions | | |
| A | | | | A | Reduction of Taxes Under Section 901(e)—Attach separate schedule |
| B | | | | B | Reduction of Oil and Gas Extraction Taxes—Enter amount from Schedule I, Part II, line 6 |
| C | | | | C | Reduction of Taxes Due to International Boycott Provisions—Enter appropriate portion of Schedule C (Form 5713), line 2b. Important: Enter only “specifically attributable taxes” here. |
| D | | | | D | Reduction of Taxes for Section 6038(c) Penalty—Attach separate schedule |
| E | | | | E | Other Reductions of Taxes—Attach schedule(s) |
| F | | | | | |
| Totals (add lines A through F)* ▶ | | | | Total (add lines A through E). Enter here and on Schedule B, Part II, line 3 ▶ | |

* **Note:** The Schedule F totals are not carried over to any other Form 1118 Schedule. (These totals were already included in Schedule A.) However, the IRS requires the corporation to complete Schedule F under the authority of section 905(b).

Schedule H Apportionment of Deductions Not Definitely Allocable *(complete only once)*

Part I—Research and Development Deductions

| | (a) Sales Method | | | | | (b) Gross Income Method—Check method used: <small>(See page 9 of instructions.)</small> | | (c) Total R&D Deductions Not Definitely Allocable <small>(enter all amounts from column (a)(v) or all amounts from column (b)(vii))</small> |
|---|-------------------------------|--------------------------------|-------------------------------|--------------------------------|--|---|---|---|
| | Product line #1 (SIC Code:)* | | Product line #2 (SIC Code:)* | | (v) Total R&D Deductions Under Sales Method (add columns (ii) and (iv)) | <input type="checkbox"/> Option 1 | <input type="checkbox"/> Option 2 | |
| | (i) Gross Sales | (ii) R&D Deductions | (iii) Gross Sales | (iv) R&D Deductions | | (vi) Gross Income | (vii) Total R&D Deductions Under Gross Income Method | |
| 1 Totals (see page 9 of instructions) | | | | | | | | |
| 2 Total to be apportioned | | | | | | | | |
| 3 Apportionment among statutory groupings: | | | | | | | | |
| a General category income | | | | | | | | |
| b Passive category income | | | | | | | | |
| c Section 901(j) income* | | | | | | | | |
| d Income re-sourced by treaty* | | | | | | | | |
| 4 Total foreign (add lines 3a through 3d) | | | | | | | | |

*Important: See **Computer-Generated Schedule H** in instructions.

Schedule H Apportionment of Deductions Not Definitely Allocable *(continued)*

Part II—Interest Deductions, All Other Deductions, and Total Deductions

| | (a) Average Value of Assets—Check method used: <input type="checkbox"/> Fair market value <input type="checkbox"/> Tax book value <input type="checkbox"/> Alternative tax book value | | (b) Interest Deductions | | (c) All Other Deductions Not Definitely Allocable | (d) Totals (add the corresponding amounts from column (c), Part I; columns (b)(iii) and (b)(iv), Part II; and column (c), Part II). Enter each amount from lines 3a through 3d below in column 10 of the corresponding Schedule A. |
|--|---|-----------------------------|---------------------------------|-----------------------------|---|--|
| | (i) Nonfinancial Corporations | (ii) Financial Corporations | (iii) Nonfinancial Corporations | (iv) Financial Corporations | | |
| 1a Totals (see pages 9 and 10 of instructions) | | | | | | |
| b Amounts specifically allocable under Temp. Regs. 1.861-10T(e) | | | | | | |
| c Other specific allocations under Temp. Regs. 1.861-10T | | | | | | |
| d Assets excluded from apportionment formula | | | | | | |
| 2 Total to be apportioned (subtract the sum of lines 1b, 1c, and 1d from line 1a) | | | | | | |
| 3 Apportionment among statutory groupings: | | | | | | |
| a General category income | | | | | | |
| b Passive category income | | | | | | |
| c Section 901(j) income* | | | | | | |
| d Income re-sourced by treaty* | | | | | | |
| 4 Total foreign (add lines 3a through 3d) | | | | | | |

* **Important:** See *Computer-Generated Schedule H* in instructions.