Computation of Foreign Tax Credit—Corporations

For calendar year 19_____ , or other tax year beginning _____ , 19____ , and ending _____ , 19____

OMB No. 1545-0122
Expires 12-31-91

Name | Employer identification number

This form is being completed for credit with respect to: (Use a separate Form 1118 for each separate limitation category. See Specific Instructions.)

- ☐ Passive Income
- ☐ High Withholding Tax Interest
- ☐ Financial Services Income
- ☐ Shipping Income
- ☐ Dividends From **Each** Noncontrolled Section 902 Corporation (see Specific Instructions):
  Name of Foreign Corporation ▶

- ☐ Dividends From a DISC or Former DISC
- ☐ Taxable Income Attributable To Foreign Trade Income
- ☐ Certain Distributions From a FSC or Former FSC
- ☐ All Other Income From Sources Outside the U.S. (General Limitation Income)

Country of Incorporation ▶

Schedule A — Computation of Separate Limitation Income or (Loss) Before Adjustments

Separate Limitation Gross Income or (Loss) From Sources Outside the U.S. (INCLUDE Foreign Branch and Section 863(b) Gross Income Here and on Schedule F—See Specific Instructions)

1. Foreign Country or U.S. Possession (Enter two-letter code from last page of instructions. Use a separate line for each.)	2. Deemed Dividends (see Specific 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 2a 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									
G									
H									
Totals (Add lines A through H)									

Separate Limitation Deductions (INCLUDE Foreign Branch and Section 863(b) Deductions Here and on Schedule F—See Specific Instructions)

	9. Definitely Allocable Deductions					10. Apportioned Share of Deductions Not Definitely Allocable (Enter amount from applicable line of column (d), Part II, Schedule H.)	11. Total Deductions (Add columns 9e and 10)	12. Total Separate Limitation Income or (Loss) Before Adjustments (Column 8 less column 11.)
	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 9a through 9d)			
	a. Depreciation, Depletion, and Amortization	b. Other Expenses						
A								
B								
C								
D								
E								
F								
G								
H								
Totals								

Part I—Foreign Taxes Paid or Accrued and Deemed To Have Been Paid

	1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (Attach schedule showing amounts in foreign currency and conversion rate(s) used)								3. Tax Deemed To Have Been Paid (From Schedule C, Part I, column 9 and Schedule C, Part II, column 10)
	☐ Paid	☐ Accrued	Tax Withheld at Source on:			Other Foreign Taxes Paid or Accrued on:				h. Total Foreign Taxes Paid or Accrued (Add columns 2a through 2g)	
	Date Paid	Date Accrued	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											
G											
H											
Totals (Add lines A through H)											

Part II—Computation of Foreign Tax Credit

1 Total foreign taxes paid or accrued (from Part I, column 2h, "Totals" line) . . . .

2 Total taxes deemed to have been paid (from Part I, column 3, "Totals" line) . . . .

3 Reductions of taxes paid, accrued or deemed paid—Enter total from Part II, Schedule G . . . . ( )

4 Carryback or carryover (attach schedule showing computation in detail—see Specific Instructions) . . . .

5 Total foreign taxes (combine lines 1 through 4) . . . .

Calculation of Limitation of Foreign Tax Credit:

6 *Numerator of Limitation Fraction.*—If you are required to complete Schedule J, enter the result from the applicable column of line 11, Part I, Schedule J. If you are **not** required to complete Schedule J, enter the result from the "Totals" line of column 12 of the applicable Schedule A . . . .

7a Total taxable income from all sources (enter taxable income from your tax return) . . . .

 b Adjustments to line 7a (see Specific Instructions) . . . .

 c *Denominator of Limitation Fraction.*—Subtract line 7b from line 7a . . . .

8 Divide line 6 by line 7c (if line 6 is greater than line 7c, enter the figure "1") . . . .

9 Total U.S. income tax against which credit is allowed (after section 936 credit but before any other credit) . . . .

10 Limitation (multiply line 8 by line 9) . . . .

11 Foreign tax credit (enter the lesser of line 5 or line 10 here and on the appropriate line of Part III.) . . . .

Part III—Summary of Credits from Separate Forms 1118

1 Credit with respect to passive income . . . .

2 Credit with respect to high withholding tax interest . . . .

3 Credit with respect to financial services income . . . .

4 Credit with respect to shipping income . . . .

5 Credit with respect to dividends from each noncontrolled section 902 corporation (combine all such credits on this line) . . . . . .

6 Credit with respect to dividends from a DISC or former DISC . . . .

7 Credit with respect to taxable income attributable to foreign trade income . . . .

8 Credit with respect to certain distributions from a FSC or former FSC . . . .

9 Credit with respect to all other income from sources outside the United States (General Limitation Income) . . . .

10 Total (add lines 1 through 9) . . . .

11 Reduction in credit for international boycott operations (see Specific Instructions) . . . .

12 Total foreign tax credit (subtract line 11 from line 10). Enter here and on your tax return . . . .

Schedule C — Computation of Taxes Deemed To Have Been Paid by Domestic Corporation Filing Return—Report all amounts in U.S. dollars unless otherwise specified.

This schedule is used to compute the tax deemed to have been paid by the corporation with respect to actual distributions from a first-tier foreign corporation under section 902(a), and deemed distributions from a first-tier, second-tier, or third-tier foreign corporation under section 960(a).

Part I—Distributions from Post–1986 Earnings and Profits

1. Name of Corporation (Identify DISCs and former DISCs)	2. Incorporated Under the Laws of (Enter country code from instructions)	3. Undistributed E & P for Tax Years Beginning After 1986 (excluding PTI)—attach schedule. (Report amounts in functional currency.)	4. Foreign Taxes Paid or Accrued on E & P (and not previously credited) for Tax Years Beginning After 1986	5. Taxes Deemed Paid (from Schedule D, Part I, column 9)	6. Add Columns 4 and 5	7. Dividends Paid and Deemed Paid		8. Divide Column 7a by Column 3	9. Tax Deemed Paid (multiply column 8 by column 6)
						a. Functional Currency	b. U.S Dollars		

Total—Add lines and include result here and on "Totals" line of Schedule B, Part I, column 3 . . . . ▶

Part II—Distributions from Pre–1987 Earnings and Profits

1. Name of Corporation (Identify DISCs and former DISCs)	2. Tax Year end (Yr.-Mo.) (See Specific Instructions)	3. Incorporated Under the Laws of (Enter country code from instructions)	4. E & P for Tax Year Indicated (attach schedule)	5. Foreign Taxes Paid or Accrued on E & P for Tax Year Indicated (See Specific Instructions)	6. Taxes Deemed Paid (from Schedule D, Part II, column 10)	7. Add Columns 5 and 6	8. Dividends Paid and Deemed Paid	9. Divide Column 8 by Column 4	10. Tax Deemed Paid (multiply column 9 by column 7)

Total—Add lines and include result here and on "Totals" line of Schedule B, Part I, column 3 . . . . ▶

Schedule D — Computation of Tax Deemed To Have Been Paid by First-Tier Foreign Corporations—Report all amounts in U.S. dollars unless otherwise specified.

This schedule is used to compute the tax deemed to have been paid by a first-tier foreign corporation with respect to dividends from a second-tier foreign corporation under section 902(b)(1).

Part I—Distributions from Post–1986 Earnings and Profits (Enter the column 9 results in Schedule C, Part I, column 5.)

1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation	2. Incorporated Under the Laws of (Enter country code from instructions)	3. Undistributed E & P for Tax Years Beginning After 1986 (excluding PTI)—attach schedule (Report amounts in functional currency.)	4. Foreign Taxes Paid or Accrued on E & P (and not previously credited) for Tax Years Beginning After 1986 (see Specific Instrs.)	5. Taxes Deemed Paid (from Schedule E, Part 1, Column 7)	6. Add Columns 4 and 5	7. Dividends Paid and Deemed Paid		8. Divide Column 7a by Column 3	9. Tax Deemed Paid (multiply column 8 by column 6)
						a. Functional currency	b. U.S. Dollars		

Part II—Distributions from Pre–1987 Earnings and Profits (Enter the column 10 results in Schedule C, Part II, column 6.)

1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation	2. Tax Year end (Yr -Mo.) (See Specific Instructions)	3. Incorporated Under the Laws of (Enter country code from instructions)	4. E & P for Tax Year Indicated (attach schedule)	5. Foreign Taxes Paid or Accrued on E & P for Tax Year Indicated (See Specific Instructions)	6. Taxes Deemed Paid (from Schedule E, Part II, column 8)	7. Add Columns 5 and 6	8. Dividends Paid and Deemed Paid	9. Divide Column 8 by Column 4	10. Tax Deemed Paid (multiply column 9 by column 7)

Schedule E — Computation of Tax Deemed To Have Been Paid by Second-Tier Foreign Corporations—Report all amounts in U.S. dollars unless otherwise specified.

This schedule is used to compute the tax deemed to have been paid by a second-tier foreign corporation with respect to dividends from a third-tier foreign corporation under section 902(b)(2).

Part I—Distributions from Post–1986 Earnings and Profits (Enter the column 7 results in Schedule D, Part I, column 5.)

1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation	2. Incorporated Under the Laws of (Enter country code from instructions)	3. Undistributed E & P for Tax Years Beginning After 1986 (excluding PTI)—attach schedule. (Report amounts in functional currency.)	4. Foreign Taxes Paid or Accrued on E & P (and not previously credited) for Tax Years Beginning After 1986 (see Specific Instrs.)	5. Dividends Paid and Deemed Paid		6. Divide Column 5a by Column 3	7. Tax Deemed Paid (multiply column 6 by column 4)
				a. Functional currency	b. U.S. Dollars		

Part II—Distributions from Pre–1987 Earnings and Profits (Enter the column 8 results in Schedule D, Part II, column 6.)

1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation	2. Tax Year end (Yr -Mo.) (See Specific Instructions)	3. Incorporated Under the Laws of (Enter country code from instructions)	4. E & P for Tax Year Indicated (attach schedule)	5. Foreign Taxes Paid or Accrued on E & P for Tax Year Indicated (see Specific Instructions)	6. Dividends Paid and Deemed Paid	7. Divide Column 6 by Column 4	8. Tax Deemed Paid (multiply column 7 by column 5)

Schedule F	Gross Income and Definitely Allocable Deductions From Sources Outside the U.S. Under Section 863(b) and For Foreign Branches		**Schedule G**	Reductions of Taxes Paid, Accrued or Deemed Paid (Including Computation of Reduction For Taxes Under Section 901(j))	
1. Name of Foreign Country or U.S. Possession (Use a separate line for each)	2. Gross Income	3. Definitely Allocable Deductions	1. Name of Foreign Country (Use a separate line for each)	2. Taxable income or (loss)	3. Foreign income tax paid, accrued or deemed paid
Part I—Section 863(b)			**Part I—Computation of Reduction of Taxes Under Section 901(j)**		
A			A		
B			B		
C			C		
D			D		
E			E		
F			F		
G			G		
H			H		
Totals (Add lines A through H)* . . ▶			**Total** (Add lines A through H). Enter here and on line B, Part II below.		
Part II—Foreign Branches			**Part II—Summary of Reductions of Taxes Paid, Accrued or Deemed Paid***		
A			A	Reduction of Taxes Under Section 901(e)—Attach separate schedule	
B			B	Reduction of Taxes Under Section 901(j)—Enter total from Part I above	
C			C	Reduction of Oil and Gas Extraction Taxes—Enter amount from line 6, Part II, Schedule I	
D			D	Reduction of Taxes Due to International Boycott Provisions— Enter appropriate portion of line 2b, Schedule C, Form 5713. (**Important**: Enter only "specifically attributable taxes" here).	
E			E	Reduction of Taxes For Section 6038(c) Penalty—Attach separate schedule	
F			F	Other Reductions of Taxes—Attach schedule(s)	
G					
H			**Total** (Add lines A through F). Enter here and on line 3, Part II, Schedule B . . . . ▶		
Totals (Add lines A through H)* . . ▶					

* **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 you to complete Schedule F under the authority of section 905(b).*

*** Note:** *Completion of Schedule G, Part II, is optional.*

Schedule H — Apportionment of Deductions Not Definitely Allocable

Part I—Research and Development Deductions

	(a) Sales Method				(v) Total R&D Deductions Under Sales Method (Add columns (ii) and (iv))	(b) Gross Income Method—Check method used: ☐ Option 1 ☐ Option 2 (See Specific Instr.)		(c) Total R&D Deductions Not Definitely Allocable (Enter all amounts from column (a)(v) or all amounts from column (b)(vii))
	Product line #1 (SIC Code:)*		Product line #2 (SIC Code:)*			(vi) Gross Income	(vii) Total R&D Deductions Under Gross Income Method	
	(i) Gross Sales	(ii) R&D Deductions	(iii) Gross Sales	(iv) R&D Deductions				
1 Totals (see Specific Instructions)								
2 Total to be apportioned	/////		/////			/////		/////
3 Apportionment among statutory groupings:								
a General limitation income								
b Passive income								
c High withholding tax interest								
d Financial services income								
e Shipping income								
f Dividends from noncontrolled section 902 corporation #1 *								
g Dividends from noncontrolled section 902 corporation #2 *								
h Taxable income attributable to foreign trade income								
4 Total foreign (add lines 3a through 3h)								

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

	(a) Average value of assets—Check method used: ☐ Fair market value ☐ 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 3j below in column 10 of the corresponding Schedule A.
	(i) Non-Financial Corporations	(ii) Financial Corporations	(iii) Non-Financial Corporations	(iv) Financial Corporations		
1a Totals (see Specific Instructions)						
b Amounts specifically allocable under Temp. Regs. 1.861-10T(e)					/////	
c Other specific allocations under Temp. Regs. 1.861-10T					/////	
d Other allocations (see Specific Instructions)					/////	
2 Total to be apportioned (subtract lines 1b and 1c from line 1a)					/////	
3 Apportionment among statutory groupings:						
a General limitation income						
b Passive income						
c High withholding tax interest						
d Financial services income						
e Shipping income						
f Dividends from noncontrolled section 902 corporation #1 *						
g Dividends from noncontrolled section 902 corporation #2 *						
h Taxable income attributable to foreign trade income						
i Certain distributions from a FSC or former FSC	/////	/////	/////	/////		
j Dividends from a DISC or former DISC	/////	/////	/////	/////		
4 Total foreign (add lines 3a through 3j)						

* **Important:** *If you have more than two product lines* **OR** *if you received dividends from more than two noncontrolled section 902 corporations, see the specific instructions in the Form 1118 Instructions.*