Form 1118
(Rev. December 2013)
Department of the Treasury
Internal Revenue Service

Foreign Tax Credit—Corporations

▶ Information about Form 1118 and its separate instructions is at *www.irs.gov/form1118.*
▶ **Attach to the corporation's tax return.**

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** in the instructions. Also, see **Specific Instructions**.
Check only one box on each form.

☐ Passive Category Income

☐ General Category Income

☐ Section 901(j) Income: Name of Sanctioned Country ▶ _____

☐ Income Re-sourced by Treaty: Name of Country ▶ _____

Schedule A	**Income or (Loss) Before Adjustments** *(Report all amounts in U.S. dollars. See **Specific Instructions**.)*

1. Foreign Country or U.S. Possession (Enter two-letter code; see 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 instructions).

Deductions (*INCLUDE* Foreign Branch Deductions here *and* on Schedule F)

	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									

For Paperwork Reduction Act Notice, see separate instructions.
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Schedule B	**Foreign Tax Credit** *(Report all foreign tax amounts in U.S. dollars.)*

Part I—Foreign Taxes Paid, Accrued, and Deemed Paid *(see instructions)*

	1. Credit is Claimed for Taxes (check one):		**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 12, Part II, column 8(b), and Part III, column 8)
	☐ Paid ☐ Accrued		Tax Withheld at Source on:			Other Foreign Taxes Paid or Accrued on:			**(h)** Total Foreign Taxes Paid or Accrued (add columns 2(a) through 2(g))	
	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											
Totals (add lines A through F)											

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

1a	Total foreign taxes paid or accrued (total from Part I, column 2(h))		
b	Foreign taxes paid or accrued by the corporation during prior tax years that were suspended due to the rules of section 909 and for which the related income is taken into account by the corporation during the current tax year (see instructions)		
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	Taxes reclassified under high-tax kickout		
5	Enter the sum of any carryover of foreign taxes (from Schedule K, line 3, column (xiv) and from Schedule I, Part III, line 3) plus any carrybacks to the current tax year		
6	Total foreign taxes (combine lines 1a through 5)		
7	Enter the amount from the applicable column of Schedule J, Part I, line 11 (see 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		
8a	Total taxable income from all sources (enter taxable income from the corporation's tax return)		
b	Adjustments to line 8a (see instructions)		
c	Subtract line 8b from line 8a		
9	Divide line 7 by line 8c. Enter the resulting fraction as a decimal (see instructions). If line 7 is greater than line 8c, enter 1		
10	Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus American Samoa economic development credit) . .		
11	Credit limitation (multiply line 9 by line 10) (see instructions)		
12	**Separate foreign tax credit** (enter the smaller of line 6 or line 11 here and on the appropriate line of Part III)		

Part III—Summary of Separate Credits (Enter amounts from Part II, line 12 for **each** applicable category of income. **Do not** include 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 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		

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Schedule C	Tax Deemed Paid by Domestic Corporation Filing Return

*Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 960(a). **Report all amounts in U.S. dollars unless otherwise specified.***

Part I—Dividends and Deemed Inclusions From Post-1986 Undistributed Earnings

1a. Name of Foreign Corporation (identify DISCs and former DISCs)	1b. EIN (if any) of the foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see 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	
							(a) Taxes Paid	(b) Taxes Deemed Paid (from Schedule D, Part I — see instructions)

7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b))	8. Dividends and Deemed Inclusions		9. Divide Column 8(a) by Column 4	10. Multiply column 7 by column 9	11. Section 960(c) Limitation	12. Tax Deemed Paid (subtract column 11 from column 10)
	(a) Functional Currency	(b) U.S. Dollars				

Total (Add amounts in column 12. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) . . . . ▶

Schedule C	Tax Deemed Paid by Domestic Corporation Filing Return *(Continued)*

Part II—Dividends Paid Out of Pre-1987 Accumulated Profits

1a. Name of Foreign Corporation (identify DISCs and former DISCs)	1b. EIN (if any) of the foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see instructions)	4. Accumulated Profits for Tax Year Indicated (in functional currency computed under section 902) (attach schedule)	5. Foreign Taxes Paid and Deemed Paid on Earnings and Profits (E&P) for Tax Year Indicated (in functional currency) (see instructions)	6. Dividends Paid		7. Divide Column 6(a) by Column 4	8. Tax Deemed Paid (see instructions)	
							(a) Functional Currency	(b) U.S. Dollars		(a) Functional Currency	(b) U.S. Dollars

Total (Add amounts in column 8b. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) . . . . ▶ | |

Part III—Deemed Inclusions From Pre-1987 Earnings and Profits

1a. Name of Foreign Corporation (identify DISCs and former DISCs)	1b. EIN (if any) of the foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see instructions)	4. E&P for Tax Year Indicated (in functional currency translated from U.S. dollars, computed under section 964) (attach schedule)	5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (see instructions)	6. Deemed Inclusions		7. Divide Column 6(a) by Column 4	8. Tax Deemed Paid (multiply column 5 by column 7)
							(a) Functional Currency	(b) U.S. Dollars		

Total (Add amounts in column 8. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) . . . . ▶ | |

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).)

1a. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation	1b. EIN (if any) of the second-tier foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see 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).)

1a. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation	1b. EIN (if any) of the second-tier foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see 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

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

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.)

1a. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation	1b. EIN (if any) of the third-tier foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see 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.)

1a. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation	1b. EIN (if any) of the third-tier foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code - see 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

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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).)

1a. Name of Fourth-Tier Foreign Corporation and Its Related Third-Tier Foreign Corporation	1b. EIN (if any) of the fourth-tier foreign corporation	1c. Reference ID number (see instructions)	2. Tax Year End (Yr-Mo) (see instructions)	3. Country of Incorporation (enter country code- see 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		

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

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

1a. Name of Fifth-Tier Foreign Corporation and Its Related Fourth-Tier Foreign Corporation	**1b.** EIN (if any) of the fifth-tier foreign corporation	**1c.** Reference ID number (see instructions)	**2.** Tax Year End (Yr-Mo) (see instructions)	**3.** Country of Incorporation (enter country code - see 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.)

1a. Name of Sixth-Tier Foreign Corporation and Its Related Fifth-Tier Foreign Corporation	**1b.** EIN (if any) of the sixth-tier foreign corporation	**1c.** Reference ID number (see instructions)	**2.** Tax Year End (Yr-Mo) (see instructions)	**3.** Country of Incorporation (enter country code - see 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 |

1. Foreign Country or U.S. Possession (Enter two-letter code from Schedule A, column 1. Use a separate line for each.)	2. Gross Income	3. Definitely Allocable Deductions
A		
B		
C		
D		
E		
F		
Totals (add lines A through F)* ▶		

* **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 G | Reductions of Taxes Paid, Accrued, or Deemed Paid |

Part I - Reduction Amounts

A	Reduction of Taxes Under Section 901(e)—Attach separate schedule	
B	Reduction of Foreign Oil and Gas Taxes—Enter amount from Schedule I, Part II, line 4	
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	Reduction of Taxes for Section 6038(c) Penalty—Attach separate schedule	
E	Taxes suspended under section 909	
F	Other Reductions of Taxes—Attach schedule(s)	
	Total (add lines A through F). Enter here and on Schedule B, Part II, line 3 . . . . ▶	

Part II - Other Information

During the tax year, did the corporation pay or accrue any foreign tax that was disqualified for credit under section 901(m)? . . . . ☐

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| 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: ☐ Option 1 ☐ Option 2				**(c)** Total R&D Deductions Not Definitely Allocable (enter the sum of all amounts entered in all applicable "R&D Deductions" columns)
		Product line #1 (SIC Code:)*		Product line #2 (SIC Code:)*		Product line #1 (SIC Code:)*		Product line #2 (SIC Code:)*	
		(i) Gross Sales	**(ii)** R&D Deductions	**(iii)** Gross Sales	**(iv)** R&D Deductions	**(v)** Gross Income	**(vi)** R&D Deductions	**(vii)** Gross Income	**(viii)** R&D Deductions	
1	Totals (see 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: ☐ Fair market value ☐ Tax book value ☐ 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 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.*