

Instructions for Form 1120-F

U.S. Income Tax Return of a Foreign Corporation

Volume 1 of 4



Department of the Treasury
Internal Revenue Service

Instruction for Form 1120-F (Rev 2023) Catalog Number 58527E
Department of the Treasury **Internal Revenue Service** www.irs.gov



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Future Developments

For the latest information about developments related to Form 1120-F and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1120F](https://www.irs.gov/Form1120F).

What's New

Increase in penalty for failure to file. For tax returns required to be filed in 2024, the minimum penalty for failure to file a return that is more than 60 days late has increased to the smaller of the tax due or \$485. See *Penalty for late filing of return*, later.

Electronically filed returns. The electronic-filing threshold for corporate returns required to be filed on or after January 1, 2024, has decreased to 10 or more returns. See *Electronic Filing*, later.

Elective payment election. Applicable entities and electing taxpayers can elect to treat certain credits as elective payments. Resulting overpayment may result in refunds. See the instructions for Form 1120-F, page 1, line 5j, on page 13 of these instructions. Also, see the Instructions for Form 3800.

Expiration of 100% business meal expense deduction. The temporary 100% business meal expenses deduction for food and beverages provided by a restaurant does not apply to amounts paid or incurred after 2022.

Corporate alternative minimum tax (CAMT). For tax years beginning after 2022, certain corporations must determine whether they are subject to the new CAMT and calculate CAMT if applicable. See the instructions for Schedule J, line 3. Also, see the instructions for new Item JJ.

Relief from additions to tax for underpayments applicable to the new corporate alternative minimum tax. For tax year 2023, the IRS will waive the penalty for failure to make estimated tax payments for taxes attributable to a CAMT liability. Affected corporations must still file the 2023 Form 2220, even if they owe no estimated tax penalty. However, affected corporations may

exclude the CAMT tax liability when calculating the required annual payment on Form 2220. Affected foreign corporations must also include an amount of estimated tax penalty on Form 1120-F, page 1, line 6, even if that amount is zero. Failure to follow these instructions could result in affected foreign corporations receiving a penalty notice that will require an abatement request to apply the relief provided by Notice 2023-42. See Notice 2023-42, 2023-26 I.R.B. 1085, available at [IRS.gov/irb/ 2023-26 IRB#NOT-2023-42](https://www.irs.gov/irb/2023-26_IRB#NOT-2023-42). Also, see the instructions for Form 1120-F, page 1, line 6, on page 13 of these instructions.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.ncmec.org/). Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these

children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

The Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is an **independent** organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. TAS's job is to ensure that every taxpayer is treated fairly and knows and understands their rights under the [*Taxpayer Bill of Rights*](#).

As a taxpayer, the corporation has rights that the IRS must abide by in its dealings with the corporation. TAS can help the corporation if:

- A problem is causing financial difficulty for the business;
- The business is facing an immediate threat of adverse action; or
- The corporation has tried repeatedly to contact the IRS but no one has

responded, or the IRS hasn't responded by the date promised.

TAS has offices in every state, the District of Columbia, and Puerto Rico. Local advocates' numbers are in their local directories and at TaxpayerAdvocate.IRS.gov. The corporation can also call TAS at 877-777-4778.

TAS also works to resolve large-scale or systemic problems that affect many taxpayers. If the corporation knows of one of these broad issues, please report it to

TAS through the Systemic Advocacy Management System at IRS.gov/SAMS.

For more information, go to IRS.gov/Advocate.

How To Get Forms and Publications

Internet. You can access the IRS website 24 hours a day, 7 days a week, at IRS.gov to:

- Download forms, instructions, and publications;
- Order IRS products online;
- Research your tax questions online;
- Search publications online by topic or keyword;
- View Internal Revenue Bulletins (IRBs) published in recent years; and
- Sign up to receive local and national tax news by email.

Tax forms and publications. The corporation can view, print, or download all of the forms and publications it may need on [IRS.gov/FormsPubs](https://www.irs.gov/forms-pubs). Otherwise, the corporation can go to [IRS.gov/OrderForms](https://www.irs.gov/orderforms) to place an order and have forms mailed to it.

General Instructions

Purpose of Form

Use Form 1120-F to report the income, gains, losses, deductions, credits, and to figure the U.S. income tax liability of a foreign corporation. Also, use Form 1120-F to claim any refund that is due, to transmit Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b), or to calculate and pay a foreign corporation's branch profits tax liability and tax on excess interest, if any, under section 884.

Who Must File

Unless one of the exceptions under *Exceptions From Filing* below applies or a special return is required (see *Special Returns for Certain Organizations*, later), a foreign corporation must file Form 1120-F if, during the tax year, the corporation:

- Was engaged in a trade or business in the United States, whether or not it had U.S. source income from that trade or business, and whether or not income from such trade or business is exempt from U.S. tax under a tax treaty (see also Protective Return Filers, later);
- Had income, gains, or losses treated as if they were effectively connected with the conduct of a U.S. trade or business (see Section II, later); or
- Was not engaged in a trade or business in the United States, but had income from any U.S. source, if its tax liability has not been fully satisfied by the withholding of tax at source under Chapter 3 of the Code.
- Was, or had a branch that was, a qualified derivatives dealer (QDD).

This form is also required to be filed by:

- A foreign corporation making a claim for the refund of an overpayment of tax for the tax year. See *Simplified Procedure for Claiming a Refund of U.S. Tax Withheld at Source*, later.
- A foreign corporation claiming the benefit of any deductions or credits. See *Other Filing Requirements*, later.
- A foreign corporation making a claim that an income treaty overruled or modified any provision of the Internal Revenue Code with respect to income derived by the foreign corporation at any time during the tax year, and such position is required to be disclosed on Form 8833. See the instructions for Form 8833 for who must file Form 8833, and who is exempt from filing by reason of a waiver provided under section 6114 and the regulations thereunder. If Form 8833 is required, complete item W(1) on page 2 of the form.

Others that must file Form 1120-F include the following.

- A Mexican or Canadian branch of a U.S. mutual life insurance company. The branch must file Form 1120-F on the same basis as a foreign corporation if the U.S. company elects to exclude the branch's income and expenses from its own gross income.
- A receiver, assignee, or trustee in dissolution or bankruptcy, if that person has or holds title to virtually all of a foreign corporation's property or business. Form 1120-F is due whether or not the property or business is being operated (see *Who Must Sign*, later, for additional information).
- An agent in the United States, if the foreign corporation has no office or place of business in the United States when the return is due.

Treaty or Code exemption. If the corporation does not have any gross income for the tax year because it is claiming a treaty or Code exemption, it must still file Form 1120-F to show that the income was exempted by treaty or Code. In this case, the corporation should only complete the identifying information (including items A through G) at the top of page 1 of Form 1120-F and a statement that indicates the nature and amount of the exclusions claimed. In the case of a treaty exemption, the corporation may complete item W(1) on page 2 of Form 1120-F, which includes completing and attaching Form 8833, if required in lieu of attaching a statement. In the case of a Code exemption under section 883, the corporation must attach Schedule S (Form 1120-F) in lieu of attaching a statement.

Note. If the corporation does not have any gross income for the tax year because it is claiming a treaty or Code exemption, and

there was withholding at source, the corporation must complete the *Computation of Tax Due or Overpayment* section at the bottom of page 1 of Form 1120-F (in addition to the information specified in the previous paragraph) to claim a refund of the amounts withheld.

Entities electing to be taxed as foreign corporations. A foreign eligible entity that elected to be classified as a corporation must file Form 1120-F under the same circumstances as a per se corporation and an entity that defaults into corporate status unless it is required to file a special return listed under *Special Returns for Certain Organizations*, later. The entity must also have filed Form 8832, Entity Classification Election. A foreign corporation filing Form 1120-F for the year of the election must attach a copy of Form 8832 to its Form 1120-F. See *Form 8832*, later, for additional information.

Protective return. If a foreign corporation conducts limited activities in the United States in a tax year that the foreign corporation determines does not give rise to gross income that is effectively connected with the conduct of a trade or business within the United States, the foreign corporation should follow the instructions for filing a protective return to safeguard its right to receive the benefit of the deductions and credits attributable to that gross income under Regulations section 1.882-4(a)(3)(vi) in the event that it is subsequently determined that the original determination was incorrect. A foreign corporation should also file a protective return if it determines initially that it has no U.S. tax liability under the provisions of an applicable income tax treaty (for example, because its income is not attributable to a permanent establishment in the United States). See Protective Return Filers, later. A foreign corporation that does not file a return will lose the right to take deductions and credits

against effectively connected income (ECI). See *Other Filing Requirements*, later.

Qualified derivatives dealer. A foreign corporation that was, or had a branch that was, a qualified derivatives dealer must file Form 1120-F even if one of the exceptions in *Exceptions From Filing* below applies.

Qualified opportunity fund. To certify as a qualified opportunity fund (QOF), a foreign corporation organized in a U.S. territory must file Form 1120-F and attach Form 8996, even if the corporation had no income or expenses to report. See Item II on page 3 of Form 1120-F. Also, see the Instructions for Form 8996.

Qualified opportunity investment. If the foreign corporation held a qualified investment in a QOF at any time during the year, the corporation must file its return with Form 8997 attached. See the instructions for Form 8997.

Note. A foreign corporation that was, or held an investment in, a QOF must meet the filing requirements indicated in the two preceding paragraphs even if one of the exceptions in “Exceptions From Filing ” below applies.

Exceptions From Filing

A foreign corporation does not have to file Form 1120-F if any of the following apply.

- It did not engage directly or indirectly in a U.S. trade or business during the year, and its full U.S. tax was withheld at source.
- Its only U.S. source income is exempt from U.S. taxation under section 881(c) or (d).
- It is a beneficiary of an estate or trust engaged in a U.S. trade or business, but would itself otherwise not need to file.

Special Returns for Certain Organizations

Instead of filing Form 1120-F, certain foreign organizations must file special returns.

- Form 1120-L, U.S. Life Insurance Company Income Tax Return, as a foreign life insurance company.
- Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return, as a foreign nonlife insurance company.
- Form 1120-FSC, U.S. Income Tax Return of a Foreign Sales Corporation, if the corporation elected to be treated as an FSC and the election is still in effect.

Consolidated returns. A foreign corporation, regardless of whether it files a special return, may not belong to an affiliated group of corporations that files a consolidated return. However, a Canadian or Mexican corporation described in section 1504(d),

maintained solely for complying with the laws of Canada or Mexico for title and operation of property, may elect to be treated as a domestic corporation and thereby file as part of an affiliated group.

Electronic Filing

Corporations can generally electronically file (*e-file*) Form 1120-F, related forms, schedules, and attachments; Form 7004 (automatic extension of time to file); and Forms 940, 941, and 944 (employment tax returns). If there is a balance due, the corporation can authorize an electronic funds withdrawal while *e-filing*. Form 1099 and other information returns can also be electronically filed. The option to *e-file* does not, however, apply to certain returns.

For returns filed on or after January 1, 2024, corporations that file 10 or more returns are required to e-file Form 1120-F. See Regulations section 301.6011-5. However,

these corporations can request a waiver of the electronic filing requirements.

For more information on e-filing, see *E-file for Business and Self-employed Taxpayers* on IRS.gov.

Exclusions From Electronic Filing

Waivers. The IRS may waive the electronic filing rules if the corporation demonstrates that a hardship would result if it were required to file its return electronically. A corporation interested in requesting a waiver of the mandatory electronic filing requirement must file a written request, and request one in the manner prescribed by the IRS.

All written requests for waivers should be mailed to:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Form 1120-F *e-file* Waiver Request
Mail Stop 1057
Ogden, UT 84201

If using a delivery service, requests for waivers should be mailed to:

Internal Revenue Service
Ogden Submission Processing Center
Attn: Form 1120-F *e-file* Waiver Request
Mail Stop 1057
1973 N. Rulon White Blvd.
Ogden, UT 84404

Waiver requests can also be faxed to 877-477-0575. Contact the e-Help Desk at 866-255-0654 for questions regarding the waiver procedures or process.

Exemptions. The IRS may provide exemptions from the requirements to electronically file. If using the technology required to electronically file conflicts with your religious beliefs, the corporation is exempt from the requirement. Clearly indicate the exemption on the corporation's return. Write "Religious Exemption" at the top of Form 1120-F. File the foreign corporation's return at the applicable IRS address. See *Where To File*, later. For more information see Notice 2024-18.

Claim for Refund or Credit

If the corporation is filing Form 1120-F **only** as a claim for refund or credit of tax paid or withheld at source, the simplified procedure described below may be used. This simplified procedure may not be used by a corporation that was a QDD or had a branch that was a QDD.

Note. You cannot claim a refund based on a reduced rate of, or exemption from, U.S tax withheld from a substitute dividend payment made in connection with a securities lending or similar transaction if the tax was withheld by a withholding agent other than the withholding agent from which you received the payment (amounts are reported in box 8 of Form 1042-S). See Notice 2010-46, 2010-24 I.R.B. 757, available at [IRS.gov/irb/2010-24_IRB#NOT-2010-46](https://www.irs.gov/irb/2010-24_IRB#NOT-2010-46), for further information on limitations on refunds and credits permitted in such cases.

Simplified Procedure for Claiming a Refund of U.S. Tax Withheld at Source

To make a claim for a refund, complete Form 1120-F as follows.

Page 1. Enter the complete name, address, and employer identification number (EIN) of the corporation. Check the applicable box to indicate the type of filing. Provide all the information required in items A through G.

Refund amount. Enter on lines 1 and 4, page 1, the amount from line 11, page 4. Enter on lines 5i and 5z the amount from line 12, page 4. Enter the excess of line 5z over line 4 on lines 8a and 9. This is the amount to be refunded to you.

Signature. An authorized officer of the corporation must sign and date the return.

Pages 2 and 3. Additional information.

Complete all items on pages 2 and 3 of Form 1120-F that apply to the corporation.

Page 4. Section I. Enter in column (b) the gross amount of each type of income received that is required to be reported in Section I (see Section I, later, for details). Include income from foreign sources that was subject to backup withholding. Do not include income from which no U.S. tax was withheld. If the corporation is subject to backup withholding on gross proceeds from sales of securities or transactions in regulated futures contracts, enter the gross proceeds on line 10.

Enter in columns (c) and (d), respectively, the correct rate and amount of U.S. income tax liability for each type of income reported in column (b). If the corporation is claiming a refund of U.S. tax withheld in excess of the rate provided in a tax treaty with the United States, enter the applicable treaty rate in column (c) and figure the correct U.S. income tax liability on the gross income reported in column (b).

Enter in column (e) the U.S. tax actually withheld at source (and not refunded by the payer or the withholding agent) from each type of income reported. This should be the amount reported to you in box 10, Total withholding credit, of Form(s) 1042-S, which includes the total amount of federal tax withheld at source less any amount that was repaid to you by the withholding agent. If multiple rates of tax are applicable to a type of income, attach a statement showing the gross amounts of income, applicable rate, and

amount of liability and withholding imposed for the respective amounts at each tax rate (for example, if a corporation receives subsidiary dividends subject to tax at 5% and portfolio dividends subject to tax at 15%, a statement must be attached for Section I, line 2a, to show the amount of dividend and tax liability for each respective rate).

Enter on line 11 the total U.S. tax liability for the reported income.

Enter on line 12 the total U.S. tax actually withheld from such income.

Check the appropriate box on line 13. A fiscally transparent entity is one that is not itself generally subject to income tax but one whose tax attributes flow through to its owners.

Additional Documentation Required

The corporation **must** attach to Form 1120-F the following.

1. Proof of the withholding (for example, Form 1042-S).
2. A statement that describes the basis for the claim for refund.
3. Any required tax certifications (for example, Form W-8BEN-E).
4. Any additional documentation to support the claim.

Refund of backup withholding tax. If the corporation is claiming a refund of backup withholding tax based on its status as a non-U.S. resident, it must:

- Provide a copy of the Form 1099 that shows the amount of reportable payment and backup withholding, and
- Attach a statement signed under penalties of perjury that the corporation is exempt from backup withholding because it is not a U.S. corporation or other U.S. resident (for example, Form W-8BEN-E).

Refunds of U.S. withholding. If any of the following apply, attach the information requested in addition to the additional documentation described earlier.

- If you are claiming a refund of U.S. tax withheld under Chapter 4, you must provide a statement explaining the basis for the claim and must provide the other information requested in this section to establish a reduced rate, or exemption from, tax under section 881. See Regulations section 1.1474-5 for the requirements for claiming a credit or refund of tax withheld under Chapter 4.
- If claiming a refund of U.S. tax withheld from portfolio interest, include a description of the relevant debt obligation, including the name of the issuer, CUSIP number (if any), interest rate, scheduled maturity date, and the date the debt was issued. Also, include a statement, signed under penalties of perjury, that the

corporation is the beneficial owner of the interest income and not a U.S. corporation or other U.S. resident (for example, Form W-8BEN-E).

- If claiming a reduced rate of, or exemption from, tax based on a tax treaty, provide a certificate of entitlement to treaty benefits (for example, Form W-8BEN-E). A separate statement should be provided that contains any additional representations necessary to explain the basis for the claim. The corporation may complete item W(1) on page 2 of the form (which includes completing and attaching Form 8833, if required) in lieu of attaching a statement.

Note. To claim a reduced rate of, or exemption from, tax based on a tax treaty, the corporation must generally be a resident of the particular treaty country within the meaning of the treaty and satisfy the

limitation on benefits article, if any, in the treaty with that country.

- If claiming a refund for overwithholding on a distribution from a U.S. corporation with respect to its stock because the corporation has insufficient earnings and profits to support ordinary dividend treatment, provide a statement that identifies the distributing corporation and provides the basis for the claim.
- If claiming a refund for overwithholding on a distribution from a mutual fund or a real estate investment trust (REIT) with respect to its stock because the distribution was designated as long-term capital gain or a return of capital, provide a statement that identifies the mutual fund or REIT and provide the basis for the claim.
- If claiming a refund for overwithholding on a distribution from a U.S. corporation with respect to its stock because, in the foreign

corporation's particular circumstances, the transaction qualifies as a redemption of stock under section 302, provide a statement that describes the transaction and presents the facts necessary to establish that the payment was (a) a complete redemption, (b) a disproportionate redemption, or (c) not essentially equivalent to a dividend.

When To File

Foreign Corporation With an Office or Place of Business in the United States

A foreign corporation that maintains an office or place of business in the United States must generally file Form 1120-F by the 15th day of the 4th month after the end of its tax year. A new corporation filing a short-period return must generally file by the 15th day of the 4th month after the short period ends. A corporation that has dissolved must generally

file by the 15th day of the 4th month after the date it dissolved.

However, a corporation with a fiscal tax year ending June 30 must file by the 15th day of the 3rd month after the end of its tax year. A corporation with a short tax year ending anytime in June will be treated as if the short year ended on June 30, and must file by the 15th day of the 3rd month after the end of its tax year.

If the due date falls on a Saturday, Sunday, or legal holiday, the corporation can file on the next business day.

Extension of time to file. The corporation must file Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns, by the return due date specified in the previous two paragraphs to request an extension of time to file. However, there is an exception that applies under Regulations

section 1.6081-5. See the Instructions for Form 7004 for additional information.

Foreign Corporation With No Office or Place of Business in the United States

A foreign corporation that does **not** maintain an office or place of business in the United States must generally file Form 1120-F by the 15th day of the 6th month after the end of its tax year.

If the due date falls on a Saturday, Sunday, or legal holiday, the corporation can file on the next business day.

Extension of time to file. File Form 7004 by the 15th day of the 6th month after the end of the tax year to request an extension of time to file. See the Instructions for Form 7004 for additional information.

Other Filing Requirements

- If the due date of any filing falls on a Saturday, Sunday, or legal holiday, the

corporation may file on the next business day.

- Form 1120-F must be filed on a timely basis and in a true and accurate manner in order for a foreign corporation to take deductions and credits against its ECI. For these purposes, Form 1120-F is generally considered to be timely filed if it is filed no later than 18 months after the due date of the current year's return. An exception may apply to foreign corporations that have yet to file Form 1120-F for the preceding tax year. These filing deadlines may be waived in limited situations based on the facts and circumstances, where the foreign corporation establishes to the satisfaction of the Commissioner that the foreign corporation acted reasonably and in good faith in failing to file Form 1120-F. See Regulations section 1.882-4(a)(3)(ii) for more information about the waiver.

A foreign corporation is allowed the following deductions and credits regardless of whether Form 1120-F is timely filed.

1. The charitable contributions deduction (page 5, Section II, line 19).
2. The credit from Form 2439 (page 1, line 5f).
3. The credit for federal tax on fuels (page 1, line 5g).
4. U.S. income tax paid or withheld at source (page 1, line 5i).

See Regulations section 1.882-4 for details.

Private Delivery Services

Corporations can use certain private delivery services (PDS) designated by the IRS to meet the “timely mailing as timely filing” rule for tax returns. Go to [IRS.gov/PDS](https://www.irs.gov/PDS).

The PDS can tell you how to get written proof of the mailing date.

For the IRS mailing address to use if you're using a PDS, go to

[IRS.gov/PDSStreetAddresses](https://www.irs.gov/PDSStreetAddresses).



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Where To File

File Form 1120-F with the Internal Revenue Service Center, P.O. Box 409101, Ogden, UT 84409.

Who Must Sign

The return must be signed and dated by:

- The president, vice president, treasurer, assistant treasurer, chief accounting officer; or
- Any other corporate officer (such as tax officer) authorized to sign.

If a return is filed on behalf of a corporation by a receiver, trustee, or assignee, the fiduciary must sign the return, instead of the corporate officer. Returns and forms signed by a receiver or trustee in bankruptcy on behalf of a corporation must be accompanied by a copy of the order or instructions of the court authorizing signing of the return or form.

Paid Preparer Use Only section. If an employee of the corporation completes Form 1120-F, the paid preparer section should remain blank. Anyone who prepares Form 1120-F but does not charge the corporation should not complete that section. Generally, anyone who is paid to prepare the return must sign and complete the section.

The paid preparer must complete the required preparer information and:

- Sign the return in the space provided for the preparer's signature,

- Include their Preparer Tax Identification Number (PTIN), and
- Give a copy of the return to the taxpayer.



A paid preparer may sign original or amended returns by rubber stamp, mechanical device, or computer software program.

Paid Preparer Authorization

If the corporation wants to allow the IRS to discuss its 2023 tax return with the paid preparer who signed it, check the “Yes” box in the signature area of the return. This authorization applies only to the individual whose signature appears in the “Paid Preparer Use Only” section of the return. It does not apply to the firm, if any, shown in that section.

If the “Yes” box is checked, the corporation is authorizing the IRS to call the paid preparer to answer any questions that may arise

during the processing of its return. The corporation is also authorizing the paid preparer to:

- Give the IRS any information that is missing from the return;
- Call the IRS for information about the processing of the return or the status of any related refund or payment(s); and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

The corporation is not authorizing the paid preparer to receive any refund check, bind the corporation to anything (including any additional tax liability), or otherwise represent the corporation before the IRS.

The authorization will automatically end no later than the due date (excluding extensions) for filing the corporation's 2024 tax return. If the corporation wants to expand the paid preparer's authorization or revoke the

authorization before it ends, see Pub. 947, Practice Before the IRS and Power of Attorney.

Other Forms, Schedules, and Statements That May Be Required

Forms

A foreign corporation may have to file some of the following forms and schedules. See the form or schedule for more information.

For a list of additional forms the corporation may need to file (most notably, forms pertaining to the reporting of various types of income, and any related withholding, to U.S. persons, foreign persons, and the IRS), see Pub. 542, Corporations.

Form 1094-C, Transmittal of Employer Health Coverage Statements, and **Form 1095-C**, Employer-Provided Health Coverage Statement. Employers with 50 or more full-time employees (including full-time

equivalent employees) use Forms 1094-C and 1095-C to report the information required under sections 6055 and 6056 about offers of health coverage and enrollment in health coverage for their employees. Form 1094-C must be used to report to the IRS summary information for each employer and to transmit Forms 1095-C to the IRS. Form 1095-C is used to report information about each employee. In addition, Forms 1094-C and 1095-C are used in determining whether an employer owes payments under the employer shared responsibility provisions under section 4980H. For more information, see the Instructions for Forms 1094-C and 1095-C. Also, for more information related to the Affordable Care Act, visit [IRS.gov/ACA](https://www.irs.gov/aca).

Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. This form is filed by or for a foreign corporation engaged in a U.S. trade or

business that had reportable transactions with a related party. See the Instructions for Form 5472 for filing instructions and information for failure to file and maintain records.

Form 8275, Disclosure Statement, and **Form 8275-R**, Regulation Disclosure Statement.

Use these forms to disclose items or positions taken on a tax return that are not otherwise adequately disclosed on a tax return or that are contrary to Treasury regulations (to avoid parts of the accuracy-related penalty or certain preparer penalties).

Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business. Use this form to report the receipt of more than \$10,000 in cash or foreign currency in one transaction or a series of related transactions.

Form 8302, Electronic Deposit of Tax Refund of \$1 Million or More. The form must be filed to request an electronic deposit of a tax refund of \$1 million or more.

Form 8832, Entity Classification Election.

This form is filed by an eligible entity to elect how it will be classified for federal tax purposes. If the corporation filed Form 8832 to make an initial classification election to be a corporation or to change its classification to be a corporation effective during the current tax year, **the corporation must attach a copy of the Form 8832 to its Form 1120-F.** If the corporation owns a direct or indirect interest in an entity that is not required to file a return, but for which a Form 8832 was filed to make a change in the classification of the entity that is effective during the current tax year, **the corporation must attach a copy of the Form 8832 with respect to that entity to its Form 1120-F** for the current tax year. Examples of when the corporation must attach a copy of the Form 8832 for an entity in which it has an interest include the corporation's ownership of:

- An entity that elected to be a disregarded entity,
- A foreign entity that elected to be a partnership but does not itself have a Form 1065 filing requirement, and
- A foreign corporation that owns a foreign entity that elected to be a disregarded entity.

The corporation does not need to attach the Form 8832 for an entity in which it has an indirect interest if an entity in which it has an interest is already attaching a copy of the Form 8832 with its return. See Regulations section 301.7701-3(c)(1)(ii).

Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b). Use this form to make the treaty-based return position disclosure required by section 6114.

Form 8848, Consent To Extend the Time To Assess the Branch Profits Tax Under Regulations Sections 1.884-2(a) and (c). Use this form to execute a waiver of period of limitations in regard to a termination or incorporation of a U.S. trade or business or liquidation or reorganization of a foreign corporation or its domestic subsidiary. See the instructions for Section III, Part I, of Form 1120-F.

Form 8886, Reportable Transaction Disclosure Statement. Use this form to disclose information for each reportable transaction in which the corporation participated. Form 8886 must be filed for each tax year that the federal income tax liability of the corporation is affected by its participation in the transaction. The following are reportable transactions.

1. Any listed transaction, which is a transaction that is the same as or substantially similar to one of the

types of transactions that the IRS has determined to be a tax avoidance transaction and identified by notice, regulation, or other published guidance as a listed transaction.

2. Any transaction offered under conditions of confidentiality for which the corporation (or a related party) paid an advisor a fee of at least \$250,000.
3. Certain transactions for which the corporation (or a related party) has contractual protection against disallowance of the tax benefits.
4. Certain transactions resulting in a loss of at least \$10 million in any single year or \$20 million in any combination of years.
5. Any transaction identified by the IRS by notice, regulation, or other

published guidance as a “transaction of interest.”

For more information, see Regulations section 1.6011-4. Also, see the Instructions for Form 8886.

Penalties. The corporation may have to pay a penalty if it is required to disclose a reportable transaction under section 6011 and fails to properly complete and file Form 8886. Penalties may also apply under section 6707A if the corporation fails to file Form 8886 with its corporate return, fails to provide a copy of Form 8886 to the Office of Tax Shelter Analysis (OTSA), or files a form that fails to include all the information required (or includes incorrect information). Other penalties, such as an accuracy-related penalty under section 6662A, may also apply. See the Instructions for Form 8886 for details on these and other penalties.

Reportable transactions by material advisors. Material advisors to any reportable transaction must disclose certain information about the reportable transaction by filing Form 8918 with the IRS. For details, see the Instructions for Form 8918.

Schedules

Schedule H, Deductions Allocated to Effectively Connected Income Under Regulations Section 1.861-8. This schedule is required to be attached to report certain deductions of the corporation that are allocable to ECI. If the corporation has any deductions reportable on Form 1120-F, Section II, lines 12 through 27, then Schedule H is required to be attached. See the separate Instructions for Schedule H for details.

Note. Line 20 of Schedule H is reportable on Form 1120-F, Section II, line 26.

Schedule I, Interest Expense Allocation Under Regulations Section 1.882-5. This schedule is required to be attached to report any interest expense allocable to ECI under Regulations section 1.882-5. The schedule must be attached whether or not such allocable interest is deductible against ECI in the current year. See the separate Instructions for Schedule I (Form 1120-F) for identification of elective allocation methods and computation of the allocable and deductible amounts of interest expense.

Note. Line 25 of Schedule I is reportable on Form 1120-F, Section II, line 18.

Schedule P, List of Foreign Partner Interests in Partnerships. This schedule is required to be attached to report all ECI included in Schedules K-3 (Form 1065) the foreign corporation receives for each of its directly held partnership interests. Schedule P is also required to report the corporation's adjusted outside basis in its directly held

partnership interest and the amount of the outside basis of each such interest apportioned to ECI under Regulations section 1.884-1(d)(3). See the separate Instructions for Schedule P (Form 1120-F) for the reconciliation of ECI and distributive share of expenses reported on Schedules K-3 (Form 1065). Finally, Schedule P is required to report information regarding a foreign corporate partner's transfer of an interest in a partnership and the calculation of gain or loss on the transfer when the partnership directly or indirectly either is engaged in the conduct of a trade or business within the United States or holds any U.S. real property interests. Do not file Schedule P if the corporation has no partnership interests that give rise to ECI that is included in the income reported to the corporation on Schedules K-3 (Form 1065) and there has not been a transfer of an interest in a partnership that directly or indirectly either is engaged in the conduct of a trade or business within the

United States or holds any U.S. real property interests.

Note. If the corporation has received Form 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, it will have ECI includible in its Schedule K-3 (Form 1065) that is required to be reported on Schedule P.

Schedule S, Exclusion of Income From the International Operation of Ships or Aircraft Under Section 883. This schedule is required to be attached to claim a Code exemption under section 883. This schedule incorporates the information required under Regulations sections 1.883-1 through 1.883-4. See the separate Instructions for Schedule S (Form 1120-F) for details.

Schedule V, List of Vessels or Aircraft, Operators, and Owners. This schedule is required to be attached if the corporation is required to report gross transportation income in Section I, line 9, column (b). See

the separate Instructions for Schedule V (Form 1120-F) for details.

Statements

Transfers to a corporation controlled by the transferor. Every significant transferor (as defined in Regulations section 1.351-3(d)(1)) that receives stock of a corporation in exchange for property in a nonrecognition event must include the statement required by Regulations section 1.351-3(a) on or with the transferor's tax return for the tax year of the exchange. The transferee corporation must include the statement required by Regulations section 1.351-3(b) on or with its return for the tax year of the exchange, unless all the required information is included in any statement(s) provided by a significant transferor that is attached to the same return for the same section 351 exchange. If the transferor or transferee corporation is a controlled foreign corporation (CFC), each U.S. shareholder (within the meaning of

section 951(b)) must include the required statement on or with its return.

Distributions under section 355. Every corporation that makes a distribution of stock or securities of a controlled corporation, as described in section 355 (or so much of section 356 as relates to section 355), must include the statement required by Regulations section 1.355-5(a) on or with its return for the year of the distribution. A significant distributee (as defined in Regulations section 1.355-5(c)) that receives stock or securities of a controlled corporation must include the statement required by Regulations section 1.355-5(b) on or with its return for the year of the receipt. If the distributing or distributee corporation is a CFC, each U.S. shareholder (within the meaning of section 951(b)) must include the statement on or with its return.

Election to reduce basis under section 362(e)(2)(C). If property is transferred to a corporation subject to section 362(e)(2), the

transferor and the transferee corporation may elect, under section 362(e)(2)(C), to reduce the transferor's basis in the stock received instead of reducing the transferee corporation's basis in the property transferred. Once made, the election is irrevocable. For more information, see section 362(e)(2) and Regulations section 1.362-4. If an election is made, a statement must be filed in accordance with Regulations section 1.362-4(d)(3).

Foreign corporation with income excluded from gross income. If the foreign corporation has income excluded from gross income for the tax year, do not complete the Form 1120-F schedules. Instead, attach a statement to the return showing the types and amounts of income excluded from gross income. See *Treaty or Code exemption*, earlier, for more information.

Election to reduce liabilities under Regulations section 1.884-1(e)(3). If a taxpayer has a dividend equivalent amount that is subject to the branch profits tax under section 884(a), it may elect to reduce its U.S. liabilities under the branch profits tax regulations to treat its effectively connected earnings and profits as reinvested rather than remitted. A taxpayer may elect to reduce the amount of its liabilities by an amount that does not exceed the lesser of the amount of U.S. liabilities or the amount of U.S. liability reduction needed to reduce a dividend equivalent amount to zero. The election is made by attaching a statement to a timely filed tax return (including the extension due date) indicating the amount of U.S. liabilities reduced for branch profits tax purposes and the corresponding amount also reduced from U.S.-connected liabilities for interest expense allocation purposes. See Regulations section 1.884-1(e)(3).

Assembling the Return

To ensure that the corporation's tax return is correctly processed, attach all schedules and other forms after page 9 of Form 1120-F, in the following order.

1. Form 4626.
2. Schedule D (Form 1120).
3. Form 8949.
4. Form 8996.
5. Form 4136.
6. Form 8978.
7. Form 8941.
8. Form 3800.
9. Form 8997.
10. Additional schedules in alphabetical order.
11. Additional forms in numerical order.

12. Supporting statements and attachments.

Complete every applicable entry space on Form 1120-F. Do not enter "See Attached" or "Available Upon Request" instead of completing the entry spaces. If more space is needed on the forms or schedules, attach separate sheets using the same size and format as the printed forms.

If there are supporting statements and attachments, arrange them in the same order as the schedules or forms they support and attach them last. Show the totals on the printed forms. Enter the corporation's name and EIN on each supporting statement or attachment.

Note. If the corporation had tax withheld under Chapter 3 or 4 of the Internal Revenue Code and received a Form 1042-S, Form 8805, or Form 8288-A showing the amount of income tax withheld, attach such form(s) to Form 1120-F to claim a withholding credit.

The corporation should report the tax withheld on Form 1120-F, page 1, line 5i. See the instructions for Line 5i.

Accounting Methods

In general, figure taxable income using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method used must clearly show taxable income. Permissible overall methods of accounting include cash, accrual, or any other method authorized by the Internal Revenue Code.

Generally, the following rules apply. For more information, see Pub. 538, Accounting Periods and Methods.

- A corporation cannot use the cash method of accounting unless it is a small business taxpayer (defined later). A tax shelter (defined in section 448(d)(3)) may never use the cash method. See sections 448(a)(1) through (a)(3). However, see

Nonaccrual experience method for service providers in the instructions for Section II, line 1a, later.

- Unless it is a small business taxpayer (defined below), a corporation must use an accrual method for sales and purchases of inventory items. See the instructions for Form 1125-A.
- A corporation engaged in farming must use an accrual method. For exceptions, see section 447 and Pub. 225.
- Special rules apply to long-term contracts. See section 460.
- Dealers in securities must use the mark-to-market accounting method. Dealers in commodities and traders in securities and commodities may elect to use the mark-to-market accounting method. See section 475.

Small business taxpayer. For tax years beginning in 2023, a corporation qualifies as a small business taxpayer if (a) it has average annual gross receipts of \$29 million or less for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)).

A small business taxpayer can account for inventory by (a) treating the inventory as non-incidental materials and supplies, or (b) conforming to its treatment of inventory in an applicable financial statement (as defined in section 451(b) (3)). If it does not have an applicable financial statement, it can use the method of accounting used in its books and records prepared according to its accounting procedures.

Change in accounting method. Generally, the corporation must get IRS consent to change either an overall method of accounting or the accounting treatment of any material item for income tax purposes. To obtain consent, the corporation must

generally file Form 3115, Application for Change in Accounting Method, during the tax year for which the change is requested. See the Instructions for Form 3115 and Pub. 538 for more information and exceptions. Also see the Instructions for Form 3115 for procedures that may apply for obtaining automatic consent to change certain methods of accounting, non-automatic change procedures, and reduced Form 3115 filing requirements.

Section 481(a) adjustment. If the corporation's taxable income for the current tax year is figured under a method of accounting different from the method used in the preceding tax year, the corporation may have to make an adjustment under section 481(a) to prevent amounts of income or expense from being duplicated or omitted. The section 481(a) adjustment period is generally 1 year for a net negative adjustment and 4 years for a net positive

adjustment. Also, see the Instructions for Form 3115.

Exceptions to the general section 481(a) adjustment period may apply. Also, in some cases, a corporation can elect to modify the section 481(a) adjustment period. The corporation may have to complete the appropriate lines of Form 3115 to make an election. See the Instructions for Form 3115 for more information and exceptions.

If the net section 481(a) adjustment is positive, report the ratable portion on Form 1120-F, Section II, line 10, as other income. If the net section 481(a) adjustment is negative, report the ratable portion on line 27 of Section II as a deduction.

Accounting Period

A corporation must figure its taxable income on the basis of a tax year. A tax year is the annual accounting period a corporation uses to keep its records and report its income and

expenses. Generally, corporations may use a calendar year or a fiscal year. Personal service corporations, however, must use a calendar year unless they meet one of the exceptions discussed under Personal Service Corporation, later. Furthermore, special rules apply to specified foreign corporations. See Specified Foreign Corporations below.

Change of tax year. Generally, a corporation, including a personal service corporation, must get the consent of the IRS before changing its tax year by filing Form 1128, Application To Adopt, Change, or Retain a Tax Year. However, exceptions may apply. See the Instructions for Form 1128 and Pub. 538 for more information.

Specified Foreign Corporations

The annual accounting period of a specified foreign corporation (defined below) is generally required to be the tax year of its majority U.S. shareholder. If there is more than one majority shareholder, the required

tax year will be the tax year that results in the least aggregate deferral of income to **all** U.S. shareholders of the foreign corporation. For more information, see section 898; Rev. Proc. 2006-45, 2006-2 C.B. 851, available at [IRS.gov/irb/2006-45_IRB#RP-2006-45](https://www.irs.gov/irb/2006-45_IRB#RP-2006-45); and Rev. Proc. 2002-39, 2002-1 C.B. 1046, available at [IRS.gov/pub/irs-irbs/irb02-22](https://www.irs.gov/pub/irs-irbs/irb02-22), as modified by Notice 2002-72, 2002-2 C.B. 843, available at [IRS.gov/pub/irs-irbs/irb02-46](https://www.irs.gov/pub/irs-irbs/irb02-46).

Specified foreign corporation. A specified foreign corporation (as defined in section 898) is any foreign corporation that is treated as a controlled foreign corporation (CFC) under subpart F (sections 951 through 964) and with respect to which more than 50% of the total voting power or value of all classes of stock of the corporation is treated as owned by a U.S. shareholder.

Rounding Off to Whole Dollars

The corporation may enter decimal points and cents when completing its return. However, the corporation should round off cents to whole dollars on its return, forms, and schedules to make completing its return easier. The corporation must either round off all amounts on its return to whole dollars or use cents for all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$8.40 rounds to \$8 and \$8.50 rounds to \$9.

If two or more amounts must be added to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

Recordkeeping

Keep the corporation's records for as long as they may be needed for the administration of any provision of the Internal Revenue Code.

Usually, records that support an item of income, deduction, or credit on the return must be kept for 3 years from the date the return is due or filed, whichever is later. Keep records that verify the corporation's basis in property for as long as they are needed to figure the basis of the original or replacement property. QDDs should see the Qualified Intermediary Agreement for additional requirements.

The corporation should keep copies of all filed returns. They help in preparing future and amended returns and in the calculation of earnings and profits.

Payment of Tax Due

The requirements for payment of tax depend on whether the foreign corporation has an office or place of business in the United States.

Foreign corporations that **do not** maintain an office or place of business in the United States must generally pay any tax due (page 1, line 7) in full no later than the 15th day of the 6th month after the end of the tax year. However, see the instructions for line 7, later. If the foreign corporation files Form 1120-F electronically, it may pay the tax due by initiating an electronic funds withdrawal (direct debit). It does so by checking the box on Part II, line C, of Form 8453-CORP, E-file Declaration for Corporations. If the foreign corporation does not file Form 1120-F electronically, or if it files Form 1120-F electronically and does not choose the direct debit option, the foreign corporation may use the Electronic Federal Tax Payment System (EFTPS) to pay the tax due if it has a U.S. bank account. If the foreign corporation does not have a U.S. bank account, it may arrange for its financial institution to initiate a same-day payment on its behalf or it can arrange for either a qualified intermediary, tax

professional, payroll service, or other trusted third party to make a deposit on its behalf using a master account. In addition, the foreign corporation still has the option to pay by check or money order, payable to "United States Treasury." To help ensure proper crediting, write the corporation's EIN, "Form 1120-F," and the tax period to which the payment applies on the check or money order. Enclose the payment when the corporation files Form 1120-F.

Foreign corporations that **do** maintain an office or place of business in the United States must generally pay any tax due (page 1, line 7) in full no later than the due date for filing Form 1120-F (not including extensions). See *When To File*, earlier, for this due date. However, see Regulations section 1.6081-5 for an exception. Also, see the instructions for line 7, later. If the foreign corporation files Form 1120-F electronically, it may pay the tax due by initiating an electronic funds

withdrawal (direct debit). It does so by checking the box on Part II, line C, of Form 8453-CORP. If the foreign corporation does not file

Form 1120-F electronically, or if it files Form 1120-F electronically and does not choose the direct debit option, the tax may be paid as follows. The foreign corporation may pay the tax using EFTPS or it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make deposits on its behalf. In addition, the foreign corporation also has the option to arrange for its financial institution to initiate a same-day payment.

Note. If the due date falls on a Saturday, Sunday, or legal holiday, the payment is due on the next day that isn't a Saturday, Sunday, or legal holiday.

Electronic deposit requirement. Foreign corporations with an office or place of business in the United States must use

electronic funds transfer to make all federal tax deposits (such as deposits of employment, excise, and corporate income tax). Generally, electronic funds transfers are made using EFTPS. However, if the corporation does not want to use EFTPS, it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make deposits on its behalf. Also, it may arrange for its financial institution to submit a same-day payment (discussed below) on its behalf. EFTPS is a free service provided by the Department of the Treasury. Services provided by a tax professional, financial institution, payroll service, or other third party may have a fee.

To get more information about EFTPS or to enroll in EFTPS, visit [EFTPS.gov](https://eftps.gov) or call 800-555-4477 (TTY/TDD 800-733-4829).

Depositing on time. For any deposit made by EFTPS to be on time, the corporation must submit the deposit by 8

p.m. Eastern time the day before the date the deposit is due. If the corporation uses a third party to make deposits on its behalf, they may have different cutoff times.

Same-day wire payment option. If the corporation fails to submit a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, it can still make the deposit on time by using the Federal Tax Collection Service (FTCS). To use the same-day wire payment method, the corporation will need to make arrangements with its financial institution ahead of time regarding availability, deadlines, and costs. Financial institutions may charge a fee for payments made this way. To learn more about the information the corporation will need to provide to its financial institution to make a same-day wire payment, go to [IRS.gov/ SameDayWire](https://www.irs.gov/SameDayWire).

Estimated Tax Payments

Generally, the following rules apply to a foreign corporation's payments of estimated tax.

- The corporation must make installment payments of estimated tax if it expects its total tax for the year (less applicable credits) to be \$500 or more.
- The installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, the installment is due on the next regular business day.
- If the foreign corporation maintains an office or place of business in the United States, it must use electronic funds transfer to make installment payments of estimated tax.

- If the foreign corporation does not maintain an office or place of business in the United States, it may pay the estimated tax by EFTPS, providing it has a U.S. bank account. The foreign corporation may also arrange for its financial institution to submit a same-day payment on its behalf or can arrange for its qualified intermediary, tax professional, payroll service, or other trusted third party to make a deposit on its behalf using a master account. In addition, the foreign corporation still has the option to pay the estimated tax due by check or money order.
- If, after the corporation figures and deposits estimated tax, it finds that its tax liability for the year will be more or less than originally estimated, it may have to refigure its required installments. If earlier installments were underpaid, the

corporation may owe a penalty. See *Estimated tax penalty* below.

- If the corporation overpaid estimated tax, it may be able to get a quick refund by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. See the instructions for line 5c, later.

See section 6655 and Pub. 542, Corporations, for more information on how to figure estimated taxes.

Estimated tax penalty. A corporation that does not make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. Generally, a corporation is subject to the penalty if its tax liability is \$500 or more and it did not timely pay at least the smaller of:

- Its tax liability for the current year, or
- Its prior year's tax.

No estimated tax payments are required with respect to a foreign corporation's liability for the branch profits tax. See Regulations section 1.884-1(a).

Use Form 2220, Underpayment of Estimated Tax by Corporations, to see if the corporation owes a penalty and to figure the amount of the penalty. If Form 2220 is completed, enter the penalty on Form 1120-F, page 1, line 6. See the instructions for line 6, estimated tax penalty, later. Also see *Relief from additions to tax for underpayments applicable to the new corporate alternative minimum tax*, earlier.

Interest and Penalties

Interest. Interest is charged on taxes paid late even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and

reportable transaction understatements from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Penalty for late filing of return. A

corporation that does not file its tax return by the due date, including extensions, may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a tax return required to be filed in 2024 that is more than 60 days late is the smaller of the tax due or \$485. The penalty will not be imposed if the corporation can show that the failure to file on time was due to reasonable cause.



*If you believe that reasonable cause exists, **do not** attach an explanation when you file Form 1120-F. Instead, if the corporation receives a penalty notice after the return is filed, send an explanation to the*

IRS at that time and the IRS will determine if the corporation meets reasonable-cause criteria.

Penalty for late payment of tax. A corporation that does not pay the tax when due may generally be penalized $\frac{1}{2}$ of 1% of the unpaid tax for each month or part of a month the tax is not paid, up to a maximum of 25% of the unpaid tax. The penalty will not be imposed if the corporation can show that the failure to pay on time was due to reasonable cause. See Caution above.

Trust fund recovery penalty. This penalty may apply if certain excise, income, social security, and Medicare taxes that must be collected or withheld are not collected or withheld, or these taxes are not paid. These taxes are generally reported on:

- Form 720, Quarterly Federal Excise Tax Return;

- Form 941, Employer's QUARTERLY Federal Tax Return;
- Form 943, Employer's Annual Federal Tax Return for Agricultural Employees;
- Form 944, Employer's ANNUAL Federal Tax Return; or
- Form 945, Annual Return of Withheld Federal Income Tax.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to have been responsible for collecting, accounting for, or paying over these taxes, and who acted willfully in not doing so. The penalty is equal to the full amount of the unpaid trust fund tax. See the Instructions for Form 720; Pub. 15 (Circular E), Employer's Tax Guide; or Pub. 51 (Circular A), Agricultural Employer's Tax Guide, for details, including the definition of "responsible persons."