

STATEMENT IN SUPPORT OF CREDIT CLAIMED BY INDIVIDUAL FOR TAXES PAID OR ACCRUED  
TO A FOREIGN COUNTRY OR A POSSESSION OF THE UNITED STATES

TO BE FILED BY AN INDIVIDUAL, PARTNERSHIP, OR FIDUCIARY

For Calendar Year 1944

Or fiscal year beginning \_\_\_\_\_, 1944, and ending \_\_\_\_\_, 1945

Name \_\_\_\_\_

Address \_\_\_\_\_  
(Street and number) (City or town) (State)

TO BE FILLED IN IF CLAIMANT IS AN INDIVIDUAL

Claim for credit is made by the taxpayer named above, who is a citizen or subject of \_\_\_\_\_  
(Name of country)  
and is a resident of \_\_\_\_\_, based on income \_\_\_\_\_  
(Name of country) (Received or accrued)  
for the taxable year begun \_\_\_\_\_, 19\_\_\_\_, and ended \_\_\_\_\_, 19\_\_\_\_, for  
taxes \_\_\_\_\_<sup>1</sup>, as follows:  
(Paid or accrued)

I. Total net income from all sources (computed without deductions for any income, war-profits, and  
excess-profits taxes paid or accrued to foreign countries or possessions of the United States) \_\_\_\_\_ \$\_\_\_\_\_

II. Total United States income tax (before credit for foreign taxes) \_\_\_\_\_ \$\_\_\_\_\_

SCHEDULE A—Tax Paid or Accrued to a Possession of the United States <sup>2 and 9</sup>

Name of possession of U. S. \_\_\_\_\_ Character of tax \_\_\_\_\_  
(Income, war-profits, or excess-profits)

Statute imposing tax \_\_\_\_\_  
(To be named fully and clearly so as to be easily identified)

Date of accrual \_\_\_\_\_ Date of payment (if paid) \_\_\_\_\_  
(To be given even if claim is based on payment) (To be given even if claim is based on accrual)

1. Amount of tax <sup>3</sup> (evidenced by attached receipt or return) \_\_\_\_\_<sup>4</sup>, which (converted  
(In foreign money)  
at an exchange rate of \_\_\_\_\_<sup>5</sup>) equals in dollars \_\_\_\_\_ \$\_\_\_\_\_

2. Income from sources in this possession \_\_\_\_\_<sup>4</sup> which (converted at an exchange  
(In foreign money)  
rate of \_\_\_\_\_<sup>5</sup>) equals in dollars (reported on Form 1040, as Item \_\_\_\_\_) \_\_\_\_\_ \$\_\_\_\_\_

SCHEDULE B—Tax Paid or Accrued to a Foreign Country <sup>6 and 9</sup>

Name of foreign country \_\_\_\_\_ Character of tax \_\_\_\_\_  
(Income, war-profits, or excess-profits)

Statute imposing tax \_\_\_\_\_  
(To be named fully and clearly so as to be easily identified)

Date of accrual \_\_\_\_\_ Date of payment (if paid) \_\_\_\_\_  
(To be given even if claim is based on payment) (To be given even if claim is based on accrual)

1. Amount of tax <sup>3</sup> (evidenced by attached receipt or return) \_\_\_\_\_<sup>4</sup>, which (converted  
(In foreign money)  
at an exchange rate of \_\_\_\_\_<sup>5</sup>) equals in dollars \_\_\_\_\_ \$\_\_\_\_\_

2. Income from sources in this foreign country \_\_\_\_\_<sup>4</sup> which (converted at an exchange  
(In foreign money)  
rate of \_\_\_\_\_<sup>5</sup>) equals in dollars (reported on Form 1040, as Item \_\_\_\_\_) \_\_\_\_\_ \$\_\_\_\_\_

SCHEDULE C—Tax Paid or Accrued With Respect to Taxpayer's Income Withheld Under a Law of a Foreign Country <sup>6</sup>  
or a Possession of the United States <sup>2</sup>

Name of foreign country or possession of U. S. \_\_\_\_\_ Character of tax \_\_\_\_\_  
(Income, war-profits, or excess-profits)

Statute imposing tax \_\_\_\_\_  
(To be named fully and clearly so as to be easily identified)

Name of withholding agent \_\_\_\_\_ Date of withholding \_\_\_\_\_

1. Amount of tax withheld (evidenced by attached receipts or statement from withholding agent)  
\_\_\_\_\_<sup>4</sup>, which (converted at an exchange rate of \_\_\_\_\_<sup>5</sup>) equals in dollars \_\_\_\_\_ \$\_\_\_\_\_  
(In foreign money)

2. Income from sources in above-named country or possession, which is not included in any other sched-  
ule on this form \_\_\_\_\_<sup>4</sup>, which (converted at an exchange rate of \_\_\_\_\_<sup>5</sup>)  
(In foreign money)  
equals in dollars (reported on Form 1040, as Item \_\_\_\_\_) \_\_\_\_\_ \$\_\_\_\_\_

(See footnotes on page 2)

SCHEDULE D—Income (or Loss) from Sources Within a Foreign Country or a Possession of the United States on Which No Income or Profits Taxes Were Imposed<sup>9</sup>

1. Name of country \_\_\_\_\_
2. Amount of income (or loss) \_\_\_\_\_, which (converted at an exchange rate of \_\_\_\_\_) equals in dollars (reported on Form 1040, as Item \_\_\_\_\_) \$\_\_\_\_\_

SCHEDULE E—Tax Paid or Accrued to a Foreign Country or a Possession of the United States by a Partnership, Estate, or Trust, in Which Claimant Has an Interest<sup>9</sup>

Partnership, estate, or trust \_\_\_\_\_ (Name) (Address)
Fiduciary (if estate or trust) \_\_\_\_\_ (Name) (Address)

Character and extent of claimant's interest in partnership, estate, or trust \_\_\_\_\_

Name of foreign country or possession of U. S. \_\_\_\_\_ Character of tax \_\_\_\_\_ (Income, war-profits, or excess-profits)
Statute imposing tax \_\_\_\_\_ (To be named fully and clearly so as to be easily identified)

Date of accrual \_\_\_\_\_ Date of payment (if paid) \_\_\_\_\_ (To be given even if claim is based on payment) (To be given even if claim is based on accrual)

1. Total tax paid by partnership or fiduciary \_\_\_\_\_, which (converted at an exchange rate of \_\_\_\_\_) equals in dollars \$\_\_\_\_\_
2. Claimant's share of such tax as reported on partnership or fiduciary return \_\_\_\_\_
3. Total net income derived from partnership or fiduciary (reported on Form 1040, as Item \_\_\_\_\_) \_\_\_\_\_
4. That portion of such income which was derived from sources within this foreign country or possession of United States \_\_\_\_\_

TO BE FILLED IN BY A PARTNERSHIP OR FIDUCIARY

SCHEDULE F—Tax Paid or Accrued to a Foreign Country or a Possession of the United States by a Partnership, Estate, or Trust<sup>9</sup>

Partnership, estate, or trust \_\_\_\_\_ (Name) (Address)
Fiduciary (if estate or trust) \_\_\_\_\_ (Name) (Address)

The attached \_\_\_\_\_ return is based on income \_\_\_\_\_ during the taxable year begun \_\_\_\_\_, 19\_\_\_\_\_, and ended \_\_\_\_\_, 19\_\_\_\_\_ (Partnership or fiduciary) (Received or accrued)

Name of foreign country or possession of U. S. \_\_\_\_\_ Character of tax \_\_\_\_\_ (Income, war-profits, or excess-profits)
Statute imposing tax \_\_\_\_\_ (To be named fully and clearly so as to be easily identified)

Date of accrual \_\_\_\_\_ Date of payment (if paid) \_\_\_\_\_ (Both date of accrual and date of payment (if paid) must be given) (Both date of accrual and date of payment (if paid) must be given)

1. Total amount of this tax payment or accrual (evidenced by attached receipt or return) \_\_\_\_\_, which (converted at an exchange rate of \_\_\_\_\_) equals in dollars \$\_\_\_\_\_
2. Total net income reported on partnership or fiduciary return \_\_\_\_\_
3. That portion of such income which was derived from sources within this foreign country or possession of United States \_\_\_\_\_

FOOTNOTES

1 If income return is based on income "accrued," or you elect under Section 131 (d) to claim credit for taxes accrued, write "accrued" in the space provided. (See Section 131 (d) and instructions on page 4.)
2 To secure credit for taxes paid or accrued to possessions of the United States, claimant must be a citizen other than a citizen entitled to benefits of Section 251, or a resident of the United States.
3 "Amount of tax" means tax proper, excluding any amount that represents interest or penalties. If the tax has been actually paid in full, the amount of the tax (excluding interest and penalties) so paid is the amount to be entered in this blank, even though the claim be based on the accrual of the tax.
4 State this amount in the currency of the foreign country or possession of the United States (e. g., pounds, francs, marks).
5 Give the rate of exchange used and attach a statement describing in reasonable detail why and how this particular rate was determined.
6 To secure credit for taxes paid or accrued to a foreign country, claimant must be a citizen other than a citizen entitled to benefits of Section 251, or a resident of the United States. Moreover, if he is an alien resident, he must be a citizen or subject of a foreign country which allows "a similar credit to citizens of the United States residing in such country." (See Section 131 (a) on page 4.)
7 Where there is more than one possession of the United States or one foreign country to which taxes are paid by claimant individually, or by partnership, estate, or trust in which claimant has an interest, additional Schedules A to G, inclusive, should be attached, and the amount of the credit shown on each Schedule A to F, inclusive, should be included in each separate Summary G.
8 The sum of amounts shown in Item VI of Schedule G from various foreign countries or possessions of United States is subject to the limitation of Section 131 (b) (2) as computed in Combined Summary.
9 In case there is net loss from sources within a foreign country or possession of United States, report it in this schedule.

**SCHEDULE G<sup>9</sup>—Separate Summary<sup>7</sup> of Income Received From and Taxes Paid to Each Foreign Country or Possession of United States as Shown in Schedules A to E on Pages 1 and 2**

Name of foreign country or possession of United States .....

	Column A Income or loss		Column B Taxes paid or accrued <sup>1</sup>
Schedule A, Item 2.....	\$.....	Schedule A, Item 1.....	\$.....
Schedule B, Item 2.....	.....	Schedule B, Item 1.....	.....
Schedule C, Item 2.....	.....	Schedule C, Item 1.....	.....
Schedule D, Item 2.....	.....	Schedule E, Item 2.....	.....
Schedule E, Item 4.....	.....	Total (enter as Item II below)...	\$.....
Total (enter as Item I below)...		\$.....	

- I. Total net income from sources within this foreign country or possession of United States (computed without deductions for any income and profits taxes imposed by any foreign country or possession of United States)..... \$.....
- II. Total tax paid or accrued to this foreign country or possession of United States..... \$.....
- III. Total net income from all sources (same as Item I, page 1)..... \$.....
- IV. Ratio of income from sources within this foreign country or possession of United States to total income from all sources (Item I divided by Item III).....
- V. Total United States income tax on Item III (same as Item II, page 1)..... \$.....
- VI. Amount of tax which may be claimed as a credit under the limitation of Section 131 (b) (1) (Item V multiplied by Item IV, or Item II, whichever amount is the smaller)..... \$.....

**COMBINED SUMMARY<sup>8</sup> OF INCOME RECEIVED FROM AND CREDITS FOR TAXES PAID TO ALL FOREIGN COUNTRIES OR POSSESSIONS OF UNITED STATES AS SHOWN IN SCHEDULE G, ITEMS I AND VI, RESPECTIVELY**

FOREIGN COUNTRY OR POSSESSION OF UNITED STATES	INCOME OR LOSS (Item I, Schedule G)	CREDIT FOR TAXES (Item VI, Schedule G)
.....	\$.....	\$.....
.....	.....	.....
Totals (enter as Items I and II below).....	\$.....	\$.....

- I. Net income from sources without United States..... \$.....
- II. Sum of credits for taxes paid or accrued to foreign countries or possessions of United States computed separately under limitation of Section 131 (b) (1).....
- III. Total net income from all sources (computed without deduction for any income and profits taxes paid or accrued to foreign countries or possessions of United States) (same as Item III, Schedule G).... \$.....
- IV. Ratio of income from sources without United States to total income from all sources (Item I divided by Item III).....
- V. Total United States income tax on Item III (same as Item V, Schedule G)..... \$.....
- VI. Amount of tax which may be claimed as a credit under the limitation of Section 131 (b) (2) (Item V multiplied by Item IV, or Item II, whichever amount is the smaller)..... \$.....

(See footnotes on page 2)

## AFFIDAVIT

I swear (or affirm) that the foregoing is to the best of my knowledge and belief a true and complete statement of facts relating to the credit for tax as provided in section 131 of the Internal Revenue Code.

(If statement is made by agent, the reason therefor must be stated on this line)

Subscribed and sworn to before me this

day of \_\_\_\_\_, 194\_\_

(Signature of claimant or agent)

(Signature of officer administering oath)

(Address of agent)

(Official capacity)

## EXTRACTS FROM SECTION 131 OF THE INTERNAL REVENUE CODE TAXES OF FOREIGN COUNTRIES AND POSSESSIONS OF UNITED STATES

**SEC. 131. (a) Allowance of Credit.**—If the taxpayer chooses to have the benefits of this section, the tax imposed by this chapter, except the tax imposed under section 102, shall be credited with:

(1) **Citizens and Domestic Corporations.**—In the case of a citizen of the United States and of a domestic corporation, the amount of any income, war-profits, and excess-profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; and

(2) **Resident of United States.**—In the case of a resident of the United States, the amount of any such taxes paid or accrued during the taxable year to any possession of the United States; and

(3) **Alien Resident of United States.**—In the case of an alien resident of the United States, the amount of any such taxes paid or accrued during the taxable year to any foreign country, if the foreign country of which such alien resident is a citizen or subject, in imposing such taxes, allows a similar credit to citizens of the United States residing in such country; and

(4) **Partnerships and Estates.**—In the case of any such individual who is a member of a partnership or a beneficiary of an estate or trust, his proportionate share of such taxes of the partnership or the estate or trust paid or accrued during the taxable year to a foreign country or to any possession of the United States, as the case may be.

Such choice may be made or changed at any time prior to the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter.

(b) **Limit on Credit.**—The amount of the credit taken under this section shall be subject to each of the following limitations:

(1) The amount of the credit in respect of the tax paid or accrued to any country shall not exceed, in the case of a taxpayer other than a corporation, the same proportion of the tax against which such credit is taken, which the taxpayer's net income from sources within such country bears to his entire net income for the same taxable year, or in the case of a corporation, the same proportion of the tax against which such credit is taken, which the taxpayer's normal-tax net income from sources within such country bears to its entire normal-tax net income for the same taxable year; and

(2) The total amount of the credit shall not exceed, in the case of a taxpayer other than a corporation, the same proportion of the tax against which such credit is taken, which the taxpayer's net income from sources without the United States bears to his entire net income for the same taxable year, or, in the case of a corporation, the same proportion of the tax against which such credit is taken, which the taxpayer's normal-tax net income from sources

without the United States bears to its entire normal-tax net income for the same taxable year;

(c) **Adjustments on Payment of Accrued Taxes.**—If accrued taxes when paid differ from the amounts claimed as credits by the taxpayer, or if any tax paid is refunded in whole or in part, the taxpayer shall notify the Commissioner, who shall redetermine the amount of the tax for the year or years affected, and the amount of tax due upon such redetermination, if any, shall be paid by the taxpayer upon notice and demand by the collector, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 322. In the case of such a tax accrued but not paid, the Commissioner as a condition precedent to the allowance of this credit may require the taxpayer to give a bond with sureties satisfactory to and to be approved by the Commissioner in such sum as the Commissioner may require, conditioned upon the payment by the taxpayer of any amount of tax found due upon any such redetermination; and the bond herein prescribed shall contain such further conditions as the Commissioner may require.

(d) **Year in Which Credit Taken.**—The credits provided for in this section may, at the option of the taxpayer and irrespective of the method of accounting employed in keeping his books, be taken in the year in which the taxes of the foreign country or the possession of the United States accrued, subject, however, to the conditions prescribed in subsection (c) of this section. If the taxpayer elects to take such credits in the year in which the taxes of the foreign country or the possession of the United States accrued, the credits for all subsequent years shall be taken upon the same basis, and no portion of any such taxes shall be allowed as a deduction in the same or any succeeding year.

(e) **Proof of Credits.**—The credits provided in this section shall be allowed only if the taxpayer establishes to the satisfaction of the Commissioner (1) the total amount of income derived from sources without the United States, determined as provided in section 119, (2) the amount of income derived from each country, the tax paid or accrued to which is claimed as a credit under this section, such amount to be determined under rules and regulations prescribed by the Commissioner with the approval of the Secretary, and (3) all other information necessary for the verification and computation of such credits.

(h) **Credit for Taxes in Lieu of Income, Etc., Taxes.**—For the purposes of this section and section 23 (c) (1), the term "income, war-profits, and excess-profits taxes" shall include a tax paid in lieu of a tax upon income, war-profits, or excess-profits otherwise generally imposed by any foreign country or by any possession of the United States.

### INSTRUCTIONS

**WHEN CREDIT FOR TAXES MAY BE TAKEN.**—The credit for taxes provided by section 131 (a) may ordinarily be taken either in the return for the year in which the taxes accrued or in which the taxes were paid, dependent upon whether the accounts of the taxpayer are kept and his returns filed upon the accrual basis or upon the cash receipts and disbursements basis. Where a taxpayer keeps his books of account on the accrual basis, a credit for taxes paid to a foreign country must also be taken on that basis and the time of payment of the taxes has in such case nothing to do with the time of credit. A taxpayer whose books of account are kept on the cash receipts and disbursements basis has the privilege of taking the credit for foreign taxes on an accrual basis, but if he elects to do so, the credit for foreign taxes with respect to all subsequent years must be taken upon the same basis.