

Computation of Foreign Tax Credit

Individual, Fiduciary, or Nonresident Alien Individual

▶ Attach to Form 1040, 1041, or 1040NR.
See separate instructions.

1981

For calendar year 1981, or other tax year beginning , 19 , and ending , 19 .

Name _____ Identifying number as shown on page 1 of your tax return _____

Use a separate Form 1116 for each type of income. Check only one box below.

This form is being completed for credit for taxes on:

- Nonbusiness (section 904(d)) interest income
- Dividends from a DISC or former DISC
- Foreign oil related income
- All other income from sources outside the U.S. (including income from sources within U.S. possessions)

Resident of (name of country) _____

Citizen of (name of country) _____

Note: If, for the box checked above, you have income from or have paid taxes to MORE THAN ONE foreign country or U.S. possession, you must complete and attach Schedule A, Form 1116, Schedule of Foreign Taxable Income and Foreign Taxes Paid or Accrued. If you use Schedule A, do not complete Parts I and II below.

Part I Taxable Income from Sources Outside the U.S.

Name of Foreign Country or U.S. Possession ▶

1 Gross income from sources outside the U.S.:			
a Dividends	1a		
b Gross rents and royalties	1b		
c Foreign source capital gain net income	1c		
d Wages, salaries, and other employee compensation	1d		
e Business or profession (sole proprietorship)	1e		
f Gross income from trusts and estates	1f		
g Other (including interest—attach schedule)	1g		
h Total (add lines 1a through 1g)			1h

2 Applicable deductions and losses (see instructions):			
a Expenses directly allocable to business or profession	2a		
b Depreciation and depletion directly allocable to rent and royalty income	2b		
c Repairs and other expenses directly allocable to rent and royalty income	2c		
d Other expenses directly allocable to specific income items (attach schedule)	2d		
e Pro rata share of all other deductions not directly allocable:			
(i) Itemized deductions not directly allocable (attach schedule)			
(ii) Other deductions not directly allocable (attach schedule)			
(iii) Total (Add lines 2e(i) and 2e(ii))			
(iv) Total foreign source income (see instructions)			
(v) Gross income from all sources (see instructions)			
(vi) Divide line 2e(iv) by line 2e(v)	2e		
(vii) Multiply line 2e(vi) by line 2e(iii)	2e		
f Losses from foreign sources	2f		
g Total applicable deductions and losses (add lines 2a—2d, 2e(vii), and 2f)			2g

3 Taxable income or (loss) from sources outside the U.S. (before recapture of prior year overall foreign losses). Subtract line 2g from line 1h. Enter here and in Part III, line 6 **3**

Part II Foreign Taxes Paid or Accrued (Attach receipt or copy of return)

1 Credit is for taxes <input type="checkbox"/> paid or <input type="checkbox"/> accrued (you must check one)				
2 Foreign taxes paid or accrued:				
a Taxes withheld at source on dividends	2a			
b Taxes withheld at source on rents and royalties	2b			
c Other foreign taxes paid or accrued	2c			
d Total foreign taxes paid or accrued in U.S. dollars. Add lines 2a, 2b, and 2c. Enter here and in Part III, line 1				2d

Part III Computation of Foreign Tax Credit

1 Total foreign taxes paid or accrued (from Part II, line 2d or from Schedule A, Part II, "Total")	1		
2 Carryback or carryover (attach detailed computation)	2		
3 Add line 1 and line 2	3		
4 Reduction in foreign taxes. See instructions	4		
5 Total foreign taxes available for credit (subtract line 4 from line 3)			5
6 Taxable income or (loss) from sources outside the U.S. (from Part I, line 3 or from Schedule A, Part I, line 3). If loss, you have no foreign tax credit for the income you checked above. Skip lines 7 through 17	6		
7 Recapture of prior year overall foreign losses (attach computation)	7		
8 Net foreign source taxable income (subtract line 7 from line 6)			8
9 Individuals: Enter amount from Form 1040, line 32c or Form 1040NR, line 38. Estates and trusts: Make no entry; skip to line 11	9		
10 Enter \$3,400 (joint return or widow(er)), \$2,300 (single or head of household), or \$1,700 (married filing separate return)	10		
11 Individuals: Subtract line 10 from line 9. Estates and trusts: Enter on this line your taxable income without the deduction for your exemption			11
12 Divide line 8 by line 11 (if line 8 is more than line 11, enter the figure "1")			12
13 Total U.S. income tax before any credits	13		
14 Credit for the elderly	14		
15 Subtract line 14 from line 13			15
16 Limitation on credit (multiply line 15 by line 12)			16
17 Foreign tax credit (line 5 or line 16, whichever is smaller)			17

Part IV Summary of Credits from Separate Parts III

1 Credit for taxes on nonbusiness (section 904(d)) interest	1		
2 Credit for taxes on dividends from a DISC or former DISC	2		
3 Credit for taxes on foreign oil-related income	3		
4 Credit for taxes on all other income from sources outside the U.S. (including income from sources within U.S. possessions)	4		
5 Total (add lines 1 through 4)			5
6 Reduction in credit for international boycott operations (see "Reduction of Credit for International Boycott Operations" in instructions for Part III)			6
7 Foreign tax credit (subtract line 6 from line 5). Enter here and on your tax return ▶			7