

Computation of Foreign Tax Credit

Individual, Fiduciary, or Nonresident Alien Individual

▶ Attach to Form 1040, 1040NR, 1041, or 990-T.

▶ See separate instructions.

1988

Attachment Sequence No. **21**

Department of the Treasury
Internal Revenue Service

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. This form is being completed for credit for taxes on:

- Passive income
- High withholding tax interest
- Financial services income
- Shipping income
- Dividends from an IC-DISC or former DISC
- Distributions from a foreign sales corporation (FSC) or former FSC
- General limitation income—all other income from sources outside the United States (including income from sources within U.S. possessions)

Resident of (name of country) ▶

Note: If you paid taxes to one foreign country, use column A in Part I and line A in Part II. If you paid taxes to **more than one** foreign country, use a separate column and line for each country.

Part I Taxable Income From Sources Outside the United States

	Foreign Country or U.S. Possession			Total
	A	B	C	(Add Cols. A, B, and C)
Write the name of the foreign country or U.S. possession ▶				

Part III Computation of Foreign Tax Credit

Check if you are claiming a credit for taxes paid to the Virgin Islands under section 932(b)

1 Enter amount from Part II, line 3. (This is the total foreign taxes paid or accrued.)	1		
2 Carryback or carryover (attach detailed computation)	2		
3 Add lines 1 and 2.	3		
4 Reduction in foreign taxes (see instructions)	4		
5 Subtract line 4 from line 3. (This is the total amount of foreign taxes available for credit.)			5
6 Enter amount from Part I, line 3. This is your taxable income or (loss) from sources outside the United States before adjustments	6		
7 Adjustments to line 6 (see instructions)	7		
8 Combine the amounts on line 6 and line 7. This is your net foreign source taxable income. (If this is a loss, you have no foreign tax credit for the type of income you checked on page 1. Skip lines 9 through 13.)			8
9 Individuals: Enter amount from Form 1040, line 35, or from Form 1040NR, line 34. Estates and trusts: Enter on this line your taxable income without the deduction for your exemption	9		
10 Divide line 8 by line 9. (If line 8 is more than line 9, enter the figure "1.")			10
11 Individuals: Enter amount from Form 1040, line 40, less any amounts on Form 1040, lines 41 and 42. Enter amount from Form 1040NR, line 39, less any amount on Form 1040NR, line 40. Estates and trusts: Enter amount from Form 1041, Schedule G, line 1c, or Form 990-T, line 8			11
12 Multiply line 11 by line 10. (Maximum amount of credit.)			12
13 Enter the amount from line 5 or line 12, whichever is smaller. (If this is the only Form 1116 you are completing, skip lines 1 through 7 in Part IV and enter this amount on line 8, Part IV. Otherwise, complete the appropriate lines in Part IV.)			13

Part IV Summary of Credits From Separate Parts III (See Instructions.)

1 Credit for taxes on passive income	1		
2 Credit for taxes on high withholding tax interest	2		
3 Credit for taxes on financial services income	3		
4 Credit for taxes on shipping income	4		
5 Credit for taxes on dividends from an IC-DISC or former DISC	5		
6 Credit for taxes on distributions from a FSC or former FSC	6		
7 Credit for taxes on general limitation income (all other income from sources outside the U.S.)	7		
8 Add lines 1 through 7			8
9 Reduction of credit for international boycott operations (see "Reduction of Credit for International Boycott Operations" in instructions for Part III)			9
10 Subtract line 9 from line 8. This is your foreign tax credit. Enter here and on Form 1040, line 43; Form 1040NR, line 41; Form 1041, Schedule G, line 2a; or Form 990-T, line 9a			10