

**SCHEDULE P  
(Form 1120-FSC)**

**Transfer Price or Commission**

OMB No. 1545-0935

Department of the Treasury  
Internal Revenue Service

For amount reported on line \_\_\_\_\_, Schedule \_\_\_\_\_, Form 1120-FSC.

▶ See separate instructions. Please type or print.

▶ Attach Schedule P to Form 1120-FSC.

**2000**

Name as shown on Form 1120-FSC

Employer identification number

A Product or product line (see instructions)

B Basis of reporting (see instructions):

- 1. Transaction-by-transaction:
  - a. Aggregate on Schedule P
  - b. Aggregate on tabular schedule
  - c. Tabular schedule of transactions
- 2. Group of transactions

C Principal business activity code (if applicable) (see instructions)

**Part I FSC Profit**

**Section A—Combined Taxable Income** (see instructions)

**Full Costing**

1	Foreign trading gross receipts from transaction between FSC or related supplier and third party			<b>1</b>	
2	Costs and expenses allocable to foreign trading gross receipts from transaction:				
a	Cost of goods sold attributable to property if sold, or depreciation attributable to property if leased	<b>2a</b>			
b	Related supplier's expenses allocable to foreign trading gross receipts (see instructions)	<b>2b</b>			
c	FSC's expenses allocable to foreign trading gross receipts	<b>2c</b>			
d	Add lines 2a through 2c.			<b>2d</b>	
3	<b>Combined taxable income.</b> Subtract line 2d from line 1. If zero or less, enter -0-			<b>3</b>	

**Marginal Costing**

4	Foreign trading gross receipts from resale by FSC, or sale by related supplier, to third party			<b>4</b>	
5	Costs and expenses allocable to foreign trading gross receipts from sale:				
a	Cost of direct material attributable to property sold	<b>5a</b>			
b	Cost of direct labor attributable to property sold	<b>5b</b>			
c	Add lines 5a and 5b			<b>5c</b>	
6	Subtract line 5c from line 4. If zero or less, skip lines 7 through 11 and enter -0- on line 12			<b>6</b>	
7	Gross receipts of related supplier and FSC or controlled group from foreign and domestic sales of the product or product line			<b>7</b>	
8	Costs and expenses of related supplier and FSC or controlled group allocable to gross income from sales:				
a	Cost of goods sold attributable to property sold	<b>8a</b>			
b	Expenses allocable to gross income	<b>8b</b>			
c	Add lines 8a and 8b			<b>8c</b>	
9	Subtract line 8c from line 7. If zero or less, skip lines 10 and 11 and enter -0- on line 12			<b>9</b>	
10	Overall profit percentage. Divide line 9 by line 7. Check if the controlled group optional method is used. <input type="checkbox"/>			<b>10</b>	%
11	Overall profit percentage limitation. Multiply line 4 by line 10			<b>11</b>	
12	<b>Combined taxable income.</b> Enter the smaller of line 6 or line 11			<b>12</b>	

**Section B—23% of Combined Taxable Income Method** (see instructions)

13	Multiply line 3 or line 12 (as elected by related supplier) by 23%.			<b>13</b>	
14	<b>FSC profit.</b> Enter amount from line 13. If marginal costing is used, enter the smaller of line 3 or line 13.			<b>14</b>	

**Section C—1.83% of Foreign Trading Gross Receipts Method** (see instructions)

15	Multiply line 1 by 1.83%.			<b>15</b>	
16	Multiply line 3 or line 12 (as elected by related supplier) by 46%			<b>16</b>	
17	<b>FSC profit.</b> Enter the smallest of line 3, line 15, or line 16			<b>17</b>	

**Part II Transfer Price From Related Supplier to FSC**

18	Enter amount from line 1 or line 4, whichever is applicable			<b>18</b>	
19a	FSC profit. Enter amount from line 14 or line 17, whichever is applicable	<b>19a</b>			
b	FSC expenses allocable to foreign trading gross receipts from transaction	<b>19b</b>			
c	Add lines 19a and 19b			<b>19c</b>	
20	<b>Transfer price from related supplier to FSC.</b> Subtract line 19c from line 18 (see instructions)			<b>20</b>	

**Part III FSC Commission From Related Supplier**

21	FSC profit. Enter amount from line 14 or line 17, whichever is applicable			<b>21</b>	
22	FSC expenses allocable to foreign trading gross receipts from transaction.			<b>22</b>	
23	<b>FSC commission from related supplier.</b> Add lines 21 and 22 (see instructions).			<b>23</b>	

