

**SCHEDULE B
(Form 5713)**

(Rev. January 1986)

Department of the Treasury
Internal Revenue Service

**Specifically Attributable Taxes
and Income (Section 999(c)(2))**

(To be completed only by persons not computing loss of tax benefits
by the international boycott factor on Schedule A (Form 5713).)

▶ **Attach to Form 5713.** ▶ **See instructions on back.**

OMB No. 1545-0216
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Name _____ Taxpayer identifying number _____

Name of country being boycotted Israel Other (identify) ▶

Specifically Attributable Taxes and Income by Operation (Use a separate line for each operation.)

Name of country (1)	Principal business activity		Foreign tax credit	Subpart F income	IC-DISC income	FSC income
	Code (2)	Description (3)	Foreign taxes attributable to boycott operations (4)	Prorated share of international boycott income (5)	Taxable income attributable to boycott operations (6)	Taxable income attributable to boycott operations (7)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15 Total ▶						

General Instructions

(References are to the Internal Revenue Code.)

A. Purpose.—Complete Schedule B (Form 5713) if you participated in or cooperated with an international boycott and if you figure the loss of tax benefits by specifically attributing taxes and income. If you do not specifically attribute taxes and income for this purpose, you must compute the international boycott factor on Schedule A (Form 5713).

B. Who Must File.—Anyone who participates in or cooperates with an international boycott must file either this form or Schedule A (Form 5713) to figure the loss of tax benefits. One act of participation or cooperation creates the presumption that you participate in or cooperate with the boycott unless you rebut the presumption as explained in instruction C. The presumption applies to all your operations, and those of each member of any controlled groups (defined in section 993(a)(3)) to which you belong, in each country that helps carry out the boycott.

Certain shareholders.—IC-DISC benefits, certain FSC benefits, the “deemed paid” tax credit under section 902, and the deferral of subpart F income are lost at the shareholder level. Shareholders in an IC-DISC, certain FSCs or a foreign corporation must report their prorated share of the tax benefits denied. The denial of these benefits are discussed in the specific instructions for columns (4) through (7).

C. Boycott Operations.—All your operations in a boycotting country are considered to be boycott operations, unless you rebut the presumption of participation in or cooperation with the boycott, as explained below. In addition, your operations that are not in a boycotting country are boycott operations if they are connected to your participation in or cooperation with the boycott.

You can rebut the presumption of participation in or cooperation with a boycott for a particular operation by demonstrating that operation is separate

from any participation in or cooperation with an international boycott. The presumption applies only to operations in countries that carry out the boycott, so you do not need to rebut the presumption for operations that are related to those countries, but that take place outside them.

Specific Instructions

File Schedule B (Form 5713) for the period covered by your income tax return. Report only your own taxes and income; do not include other members of any controlled groups to which you belong.

Column (1).—For each boycott operation enter the name of the country to which your international boycott operation relates. For example, if you have an operation in Country Z, which is not a boycotting country, and the operation relates to Country X, which is a boycotting country, enter the name of Country X. The Secretary maintains a list, under section 999(a)(3), of countries that require cooperation with an international boycott, but this list may not be all-inclusive.

Column (2).—For each boycott operation enter the principal business activity code. Page 4 of the Instructions for Form 5713 lists the codes.

Column (3).—For each boycott operation briefly describe the principal business activity.

IC-DISCs.—For each boycott operation enter the product code and description in parentheses. The Instructions for Schedule N of Form 1120-IC-DISC, list the codes.

Column (4).—For each boycott operation enter the foreign taxes that are paid, accrued, or deemed paid and are attributable to the boycott operation. These taxes are not eligible for the foreign tax credit. Omit foreign taxes otherwise disallowed under sections 901-907, 911, or 6038. For more information see Part N of the Treasury Department’s International Boycott Guidelines.

Enter the column (4) total on line 2b, Schedule C (Form 5713).

Column (5).—For each boycott operation enter your prorated share of the controlled foreign corporation’s income that is attributable to the boycott operation. (This includes your share of the section 923(a)(2) non-exempt income of a FSC.) This amount is not eligible for tax deferral. Omit the foreign corporation’s income attributable to earnings and profits that are included in gross income under section 951 (except by reason of section 952(a)(3)). Also omit amounts excluded from subpart F income by section 952(b). In figuring the amount to enter in column (5), you are allowed a reasonable amount for deductions (including foreign taxes) allocable to that income.

Enter the column (5) total on line 3b, Schedule C (Form 5713).

Column (6).—An IC-DISC’s taxable income attributable to boycott operations is not eligible for deferral. If you are a shareholder in an IC-DISC, follow these steps for each boycott operation and enter the result in column (6): Add the amount deemed distributed for the tax year under subparagraphs (A), (B), (C), (D), and (E) of section 995(b)(1). Subtract this total from the IC-DISC’s taxable income attributable to the boycott operation for the tax year, before reduction for any distributions. If you are a corporation, prorate your share of the remainder and multiply by 16/17. If you are not a corporation, prorate your share of the remainder. Enter the result in column (6). Enter the column (6) total on line 4b, Schedule C (Form 5713).

Column (7).—A FSC’s taxable income attributable to boycott participation or cooperation is not eligible for exemption from income tax. Enter in column (7) the amount of taxable income attributable to foreign trade income of a FSC that would have been exempt if there had not been boycott participation or cooperation for each boycott operation.

Enter the column (7) total on line 5b, Schedule C (Form 5713).