Form **8916-A**

(Rev. December 2026)

Department of the Treasury
Internal Revenue Service

Supplemental Attachment to Schedule M-3

Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120-S.
Go to *www.irs.gov/Form1120* for the latest information.

OMB No. 1545-0123

Name of common parent	**Employer identification number**
Name of subsidiary	**Employer identification number**

Part I Cost of Goods Sold

Cost of goods sold items	(a) Expense per income statement	(b) Temporary difference	(c) Permanent difference	(d) Deduction per tax return
1 Amounts attributable to cost flow assumptions				
2 Amounts attributable to:				
2a Stock option expense				
2b Other equity-based compensation				
2c Meals and entertainment				
2d Parachute payments				
2e Compensation with section 162(m) limitation				
2f Pension and profit sharing				
2g Other post-retirement benefits				
2h Deferred compensation				
2i Reserved for future use				
2j Amortization				
2k Depletion				
2l Depreciation				
2m Corporate-owned life insurance premiums				
2n Other section 263A costs				
3 Inventory shrinkage accruals				
4 Excess inventory and obsolescence reserves				
5 Lower of cost or market write-downs				
6 Other items with differences (attach statement)				
7 Other items with no differences				
8 **Total cost of goods sold.** Add lines 1 through 7 in columns (a), (b), (c), and (d). Enter totals on the applicable Schedule M-3. See instructions				

Part II Interest Income

	Interest income item	(a) Income (loss) per income statement	(b) Temporary difference	(c) Permanent difference	(d) Income (loss) per tax return
1	Tax-exempt interest income				
2	Interest on loans secured by rural or agricultural real property				
3	Interest income from hybrid securities				
4	Sale/lease interest income				
5a	Intercompany interest income—from outside tax affiliated group				
5b	Intercompany interest income—from tax affiliated group				
6	Other interest income				
7	Total interest income. Add lines 1 through 6 in columns (a), (b), (c), and (d). Enter total on the applicable Schedule M-3. See instructions.				

Part III Interest Expense

	Interest expense item	(a) Expense per income statement	(b) Temporary difference	(c) Permanent difference	(d) Deduction per tax return
1	Interest expense from hybrid securities				
2	Lease/purchase interest expense				
3a	Intercompany interest expense—paid to outside tax affiliated group				
3b	Intercompany interest expense—paid to tax affiliated group				
4	Other interest expense				
5	Total interest expense. Add lines 1 through 4 in columns (a), (b), (c), and (d). Enter total on the applicable Schedule M-3. See instructions.				

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8916-A and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/Form1120*.

General Instructions

Purpose of Form

Use Form 8916-A to provide a detailed schedule of the amounts reported on the applicable Schedule M-3 for cost of goods sold, interest income, and interest expense.

Who Must File

Generally, Form 8916-A must be filed for each separate entity required to file a Schedule M-3 for Form 1065, Form 1120, 1120-C, 1120-L, 1120-PC, or 1120-S.

However, certain separate entities that (a) are required to file a Schedule M-3 and have less than $50 million in total assets at the end of the tax year, or (b) are not required to file a Schedule M-3 and voluntarily file a Schedule M-3, are not required to file Form 8916-A but may voluntarily do so. See the instructions for the applicable Schedule M-3 for each separate entity.

Note: Schedule M-3 (Form 1120) mixed group filers, all Schedule M-3 (Form 1120-L) filers, and all Schedule M-3 (Form 1120-PC) filers must file Form 8916-A.

Consolidated groups. In the case of a consolidated tax group, a Form 8916-A must be filed as part of the Schedules M-3 prepared for the parent company, each subsidiary, the eliminations Schedule M-3, and the consolidated Schedule M-3. It is not required that the supporting detail for Form 8916-A, Part I, line 6, be presented for the eliminations Schedule M-3 or the consolidated Schedule M-3.

Mixed groups. In the case of a mixed group (as described in the instructions for Schedule M-3 for Forms 1120, 1120-L, and 1120-PC), a Form 8916-A, if applicable, is required at the sub-consolidated level and the sub-consolidated elimination level.

How To File

Attach Form 8916-A to each applicable separate Schedule M-3.

Specific Instructions

Note: Any filer that completes Parts II and III of Schedule M-3 (Form 1120) and Form 8916-A must complete all columns, without exception. See the instructions for Parts II and III of the applicable Schedule M-3.

Part I. Cost of Goods Sold

Line 1

Report differences attributable to cost flow assumptions, for example, differences between book and tax LIFO computations. Generally, differences in the LIFO reserves for book and tax purposes should be reported on this line.

Line 2n

Report differences attributable to section 263A. For example, if book inventory costs do not equal section 471 inventory costs, report differences between section 471 inventory costs and section 263A inventory costs. This includes all cost of goods sold differences, not just differences attributable to additional section 263A cost adjustments to ending inventory. LIFO taxpayers using the simplified production method or the simplified resale method should report the amount of additional section 263A costs computed after LIFO computations. LIFO taxpayers not using a simplified section 263A method should report costs attributable to additional section 263A prior to performing LIFO computation. Differences due to purchasing, and storage and handling costs, should generally be reported on line 2n (to the extent not already included on lines 2a through 2m). Report the additional section 263A cost adjustments to ending inventory on line 2n (and the reversal of the prior-year ending inventory, if applicable).

Lines 4 and 5

If the taxpayer does not distinguish between obsolescence and excess inventory reserves and lower of cost or market write-downs in its general ledger, report all amounts relating to these reserves on line 4 for excess inventory and obsolescence reserves.

Line 6

Attach a statement that separately states and adequately discloses the nature and amount of each expense reported on this line. See the instructions for the applicable Schedule M-3 for a definition of “separately stated and adequately disclosed.” It is not required that the supporting detail for Form 8916-A, Part I, line 6, be presented for the eliminations Schedule M-3 or the consolidated Schedule M-3. Report differences between book inventory costs and section 471 inventory costs on this line.

Line 7

Report all other items with no differences on this line. For example, if book inventory costs equal section 471 inventory costs, this line should report total book inventory and section 471 inventory costs without regard to amounts reported on lines 1 through 5.

Line 8

Line 8 should equal the amount reported on Schedule M-3 (Form 1120), Part II, line 17; Schedule M-3 (Form 1120-S), Part II, line 15; or Schedule M-3 (Form 1065), Part II, line 15. See the instructions for the applicable Schedule M-3.

Part II. Interest Income

Line 1

Report in column (a) of line 1 tax-exempt interest income defined under section 103. Complete columns (b) and (c), as applicable.

Line 2

Report in column (a) of line 2 the full amount of interest income per income statement on qualified real estate loans described in section 139L, before application of the section 139L exclusion. Report the amount excluded under section 139L in column (c), and report the amount included in income for tax purposes in column (d). Complete column (b), as applicable.

Line 3

Report in column (a) of line 3 the total amount of interest income included on Schedule M-3, Part I, line 11, from hybrid securities characterized as debt for financial accounting and as equity for tax purposes. Report in column (d) of line 3 the total amount of interest income from hybrid securities characterized as equity for financial accounting and as debt for tax purposes. Complete columns (b) and (c), as applicable. Report interest income from a debt that is both a hybrid debt and a related party debt on line 3 and not on line 5a or 5b.

Line 4

Report in column (a) of line 4 the total interest income from periodic payments from transactions characterized as a lease for financial accounting and as a sale for tax purposes. Report in column (d) of line 4 the total interest income from periodic payments from transactions characterized as a sale for financial accounting and as a lease for tax purposes. Complete columns (b) and (c), as applicable. See the instructions for sale versus lease for Schedule M-3, Part II, line 18 (Forms 1120 and 1120-L), line 17 (Form 1120-PC), or line 16 (Forms 1120-S and 1065).

Line 5a

Report on line 5a total intercompany interest income from an entity included on Schedule M-3, Part I, line 4, but not included on Schedule M-3, Part I, line 11. Report hybrid security interest income on line 3 and sale/lease interest income on line 4 but not on line 5a.

Line 5b

Report on line 5b total intercompany interest income from an entity within the tax affiliated group. Report hybrid security interest income on line 3 and sale/lease interest income on line 4 but not on line 5b.

Note: Report interest income from a debt that is both a hybrid debt and a related party debt on line 3 but not on line 5a or 5b.

Line 6

Report on line 6 total interest income not required to be reported on lines 1 through 5b.

Line 7

Line 7 must equal the amounts for all columns reported on Schedule M-3, Part II, line 13 (Forms 1120, 1120-L, and 1120-PC) or line 11 (Forms 1120-S and 1065). See the instructions for the applicable Schedule M-3.

Part III. Interest Expense

Line 1

Report in column (a) of line 1 total interest expense from hybrid securities characterized as debt for financial accounting and as equity for tax purposes. Report in column (d) of line 1 total interest expense from hybrid securities characterized as equity for financial accounting and as debt for tax purposes. Complete columns (b) and (c), as applicable. Report interest expense from a debt that is both a hybrid debt and a related party debt on line 1 but not on line 3a or 3b.

Line 2

Report in column (a) of line 2 total interest expense from periodic payments from transactions characterized as a lease for financial accounting and as a purchase for tax purposes. Report in column (d) of line 2 total interest expense from periodic payments from transactions characterized as a purchase for financial accounting and as a lease for tax purposes. Complete columns (b) and (c), as applicable. See the instructions for Schedule M-3, Part III, line 34 (Form 1120), line 35 (Forms 1120-L and 1120-PC), or line 28 (Forms 1120-S and 1065).

Line 3a

Report on line 3a total intercompany interest expense included on Schedule M-3, Part I, line 4, but not included on Schedule M-3, Part I, line 11. Report hybrid security interest expense or deduction on line 1 and purchase/lease interest expense or deduction on line 2 but not on line 3a.

Line 3b

Report on line 3b total intercompany interest expense to an entity within the tax affiliated group. Report hybrid security interest expense or deduction on line 1 and purchase/lease interest expense or deduction on line 2 but not on line 3b.

Note: Report interest expense from a debt that is both a hybrid debt and a related party debt on line 1 but not on line 3a or 3b.

Line 4

Report on line 4 total interest expense not required to be reported on lines 1 through 3b.

Line 5

Line 5 must equal the amounts for all columns reported on Schedule M-3 (Form 1120), Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065), Part III, line 27; or Schedule M-3 (Form 1120-S), Part III, line 26. See the instructions for the applicable Schedule M-3.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123 and is included in the estimates shown in the instructions for their business income tax return.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.