

Return by a Transferor of Property to a Foreign Corporation, Foreign Estate or Trust, or Foreign Partnership

Name of transferor	Identifying number (See instructions)
Address (number and street)	Date of transfer (month, day, year)
City, State and ZIP code	Place of organization or creation if a corporation, partnership, estate, or trust
Part I Foreign Transferee Information	

1 Name of transferee

2 Address (including country)

3 (a) Check type of foreign transferee: Corporation Estate Trust Partnership

(b) Place of organization or creation

(c) If an estate or trust, enter name and address of fiduciary

4 Name and address of each: (a) partner if a partnership or (b) beneficiary if an estate or trust

Name	Address

Part II Transfer Information

5 (a) Was the transfer a transfer that is described in section 367 or one to which you have made an election to apply the principles of section 367? Yes No

(b) If "Yes," attach the information required under section 6038B. (see instructions)

6 Attach a statement of all facts relating to the transfer and attach a copy of the plan under which the transfer was made.

Part III Computation of the Excess of Fair Market Value Over Cost or Other Basis of the Transferor

(a) Description of property transferred	(b) Number of items transferred	(c) Fair market value on the date of transfer	(d) Cost or other basis (See section 1011)	(e) Amount of gain recognized at the time of transfer	(f) Excess (Column (c) less sum of columns (d) and (e)—enter zero if no excess)
7 Total (enter here and on line 8)					

Part IV Computation of Tax

8 Total from column (f), Part III

9 Total tax (multiply line 8 by 35%) (see instructions)

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature	Date	Title	
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Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
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Paid Preparer's Use Only

Firm's name (or yours if self-employed), and address	E.I. No.	ZIP code
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Instructions

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

Paperwork Reduction Act Notice

We ask for the information to carry out the Internal Revenue laws of the United States. The information is used to ensure that taxpayers are complying with these laws and allow us to figure and collect the correct amount of tax. Your response is mandatory.

Purpose of Form

Form 926 is used to report transfers of property to a foreign corporation, foreign estate or trust, or foreign partnership. It is also used to pay any excise tax due under section 1491.

Important Notice

The instructions that follow generally apply to transfers to foreign entities after 1984. For the rules that apply to transfers before January 1, 1985, please refer to Form 926 (Rev. January 1982) and the transitional rules that follow.

Certain transitional rules apply to transfers by a U.S. person of intangible property described in section 936(h)(3)(B) to a foreign corporation or in a transfer described in section 1491 after June 6, 1984, and before January 1, 1985. If such a transfer is made, it will be considered as having been made pursuant to a plan having as one of its principal purposes the avoidance of Federal income tax for purposes of sections 367(a), 1492(2), and 1494(b) of the Code, as in effect at that time.

However, the Secretary or his delegate, may waive the application of the above rule in any transfer.

Additionally, neither the new rules added to the Code by the Tax Reform Act of 1984, nor the transitional rules (above) apply to transfers for which a ruling request was made before March 1, 1984.

Who Must File

You must file Form 926 if you are a U.S. citizen or resident, domestic corporation or partnership, or an estate or trust that is not a foreign estate or trust and you transfer property to a foreign corporation (as paid-in-surplus or as a contribution to capital) or if you make any kind of transfer to a foreign estate or trust, or foreign partnership. *You must file Form 926 even if the transfer is nontaxable.*

When and Where to File

On the day you make the transfer, file Form 926 with the Internal Revenue Service Center where you are required to file your income tax return.

Nontaxable Transfers

Exempt transferee.—If you transfer property to an organization (other than an organization described in section 401(a)) exempt from income tax under section 501(a), the transfer is not taxable. However, you must still complete the information requested on Form 926 and also provide the following:

- If the organization has been held exempt from income tax under section 501(a), attach a copy of the Commissioner's determination letter.
- If the organization meets the tests of exemption from income tax in section 501(a), but its exemption has not been previously established, attach a statement to establish the exemption. The statement must contain:
 - A description of the character of the transferee and the purpose for which it was organized.
 - The activities of the transferee.
 - The source and disposition of income of the transferee.
 - An indication whether or not any of the transferee's income is credited to surplus or may benefit any private shareholder or individual.
 - In general, all facts about the transferee's operations that affect its rights to exemption.

Also attach a copy of the charter or articles of incorporation, the by-laws, and the latest financial statement showing assets, liabilities, receipts, and disbursements of the transferee. The statement must contain, or be verified by, a written declaration that it is made under the penalties of perjury.

Transfers described in section 367.—

Generally, section 367 applies to any exchange described in sections 332, 351, 354, 355, 356, or 361 in which a U.S. person transfers property to a foreign corporation. See the regulations under sections 367(a)(2), (3), and (5) for rules concerning exceptions. Also, see section 367(d) for special rules regarding transfers of intangibles. Additionally, you should see section 367(e) and (f) for other rules and explanations. To completely meet the qualifications of section 367, you must submit the information called for in the regulations under section 6038B.

Transfer to which the taxpayer elects the principles of section 367.—

The tax does not apply to a transfer not described in section 367 but one to which the taxpayer elects before the transfer to apply the principles of section 367. This includes the filing of the information required under section 6038B.

Section 6038B information and applicable penalties.—

The information required to be filed under section 6038B will be set forth in regulations. However, at the time this form was printed these regulations were not yet issued. Taxpayers should be aware of penalties that apply if the information is not submitted in the manner and at the time set forth in the regulations. The dollar penalty is 25% of the gain realized on the transfer. This penalty may be waived if the failure is due to reasonable cause and not willful neglect. Additionally, the statute of limitations on the transfer does not begin until the information is submitted.

Transfers for which an election has been made under section 1057.—The tax does not apply if you have made the election under section 1057 to treat the transfer as a taxable exchange.

Identifying Number.— Enter your social security number if you are an individual. Enter your employer identification number if you are a corporation, partnership, estate, or trust.

Figuring the Tax

To figure the tax:

- (1) Add the adjusted basis of the transferred property, as provided in section 1011, for determining gain in the hands of the transferor, and the amount of gain recognized by the transferor at the time of transfer.
- (2) Subtract the total of (1) above from the fair market value of the property transferred.
- (3) Multiply the remainder from (2) above by 35% (.35).

Make a separate computation of the excise tax for each block of stock or securities that has a separately identifiable basis. Do not offset appreciation in one block by depreciation in another block regardless of whether they are stock or securities of the same or different corporations. (Revenue Ruling 71-433, 1971-2 C.B. 325)

Payment of Tax

The tax shown on line 9 must be paid when you file Form 926.

Signature

You must sign this form for it to be considered a return.

If someone prepares Form 926 and does not charge you, that person should not sign Form 926. Certain others who prepare Form 926 should not sign. For example, your regular, full-time employee such as clerk, secretary, etc. does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 926 must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

If you have questions about whether a preparer is required to sign Form 926, please contact an IRS office.

The person required to sign the return **MUST** complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 926 to you in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See **Publication 1045**, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.