Instructions for Form 8993

(Rev. December 2026)

Section 250 Deduction for Foreign-Derived Deduction Eligible Income (FDDEI) and Net CFC Tested Income (NCTI)

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

Future Developments

For the latest information about developments related to Form 8993 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form8993*.

What's New

Amendment of section 250. P.L. 119-21, commonly known as the One Big Beautiful Bill Act (OBBBA), amended section 250. Unless otherwise noted, all changes are effective for tax years beginning after 2025.

OBBBA added to the list of gross income items that are excluded from deduction eligible income (DEI). The added exclusion relates to income and gain from the sale or other disposition of intangible property (as defined in section 367(d)(4)) and any other property of a type that is subject to depreciation, amortization, or depletion by the seller. These amendments apply to sales or other dispositions occurring after June 16, 2025.

Foreign-derived intangible income (FDII) is renamed foreign-derived deduction eligible income (FDDEI) and is computed without determining the deemed intangible income, deemed tangible income return, and qualified business asset investment (QBAI). Interest expense and research or experimental (R&E) expenditures are not allocated and apportioned to DEI and FDDEI. The allowed FDDEI deduction is generally 33.34% of the FDDEI of the domestic corporation.

Global intangible low-taxed income (GILTI) is renamed net controlled foreign corporation (CFC) tested income (NCTI). The allowed NCTI deduction is generally 40% of the NCTI of the domestic corporation and the related section 78 gross-up.

Redesigned Form 8993. Form 8993 has been redesigned to reflect the amendments to section 250 and to conform to terminology and concepts in the final section 250 regulations, including regulatory terms, such as RDEI. The redesigned form also clarifies the use of tax return amounts in determining DEI and FDDEI consistent with amounts reported on Form 1120.

Important Reminders

Section 250 Treasury regulations. These instructions are based on the final section 250 Treasury regulations (T.D. 9901, 85 FR 43042, July 15, 2020), the OBBBA's amendments to section 250, and Proposed Regulations sections 1.250(b)-1(c)(15)(vii) and 1.250(b)-1(h).

Section 250 deduction limitation. If the sum of FDDEI and NCTI for the tax year exceeds taxable income (determined without regard to the section 250 deduction), the FDDEI and NCTI amounts used for purposes of calculating the section 250 deduction are limited to taxable income. The section 250 deduction may be further limited under section 246(b). For additional information, see the instructions for Part III, lines 24 through 28, and the Worksheet for Schedule C, Lines 9 and 22 in the Instructions for Form 1120.

Interaction with section 246(b). The limitation under section 250(a)(2) is applied before applying the limitation under section 246(b) to the section 250 deduction. The amounts computed on Form 8993, lines 24 through 29, are determined before applying section 246(b) to the section 250 deduction.

Continuous-use revision. Use these instructions for tax year 2026 and subsequent years until a superseding revision is issued.

General Instructions

Purpose of Form

Use Form 8993 to determine the allowable deduction for FDDEI and NCTI under section 250.

See Form 8992, Calculation of Net Controlled Foreign Corporation Tested Income (NCTI), and its instructions for more information on NCTI.

Who Must File

The section 250 deduction is allowed only to domestic corporations (not including real estate investment trusts (REITs), regulated investment companies (RICs), and S corporations) and U.S. individual shareholders of CFCs making a section 962 election (section 962 electing individual). All such corporations and section 962 electing individuals must use Form 8993 to determine the allowable deduction under section 250.

For the treatment of a domestic corporation that is a partner in a partnership, see Regulations sections 1.250(b)-1(e) and 1.250(b)-3(e).

When and Where To File

Attach Form 8993 to your income tax return and file both by the due date (including extensions) for that return.

Definitions

Gross DEI

"Gross DEI" means, with respect to a domestic corporation or a partnership for a tax year, the gross income of the corporation or partnership for the year determined without regard to DEI exclusions. See Regulations section 1.250(b)-1(c)(15).

Gross FDDEI

"Gross FDDEI" means, with respect to a domestic corporation or a partnership for a tax year, the portion of the gross DEI of the corporation or partnership for the year which

is derived from all of its FDDEI transactions. See Regulations section 1.250(b)-1(c)(16).

Gross RDEI

"Gross RDEI" means, with respect to a domestic corporation or a partnership for a tax year, the portion of the corporation's or partnership's gross DEI for the year that is not included in gross FDDEI. See Regulations section 1.250(b)-1(c)(14).

DEI

"DEI" means, with respect to a domestic corporation for a tax year, the excess (if any) of the domestic corporation's gross DEI over the deductions properly allocable to gross DEI, other than interest expense and R&E expenditures. See section 250(b)(3) and Regulations section 1.250(b)-1(c)(2).

FDDEI

"FDDEI" means, with respect to a domestic corporation for a tax year, the excess (if any) of the corporation's gross FDDEI for the year over the deductions properly allocable to gross FDDEI for the year. See section 250(b)(1) and Regulations section 1.250(b)-1(c)(12).

RDEI

"Residual DEI (RDEI)" means, with respect to a domestic corporation for a tax year, any DEI of such taxpayer that is not FDDEI.

FDDEI Transaction

"FDDEI transaction" means an FDDEI sale or an FDDEI service. See Regulations section 1.250(b)-1(c)(10).

FDDEI Sale

"FDDEI sale" means a sale of general property or intangible property to a recipient that is a foreign person and that is for a foreign use. A sale of any property other than general property or intangible property is not an FDDEI sale. See Regulations section 1.250(b)-4(b).

Note: Other than for purposes of determining the DEI exclusions described in Part II, lines 19g and 19h, the terms "sold," "sells," and "sale" generally include any lease, license, exchange, or other disposition of property. See section 250(b)(2)(E) and Proposed Regulations sections 1.250(b)-1(c)(15)(vii) and 1.250(b)-1(h) for additional information.

General Property

"General property" means any property other than intangible property; a security (as defined in section 475(c)(2)); an interest in a partnership, trust, or estate; a commodity described in section 475(e)(2)(A) that is not a physical commodity or a commodity described in sections 475(e)(2)(B) through (D). See Regulations section 1.250(b)-3(b)(10).

Intangible Property

"Intangible property" has the meaning set forth in section 367(d)(4) except intangible property does not include a copyrighted article as defined in Regulations section 1.861-18(c)(3). See Regulations section 1.250(b)-3(b)(11).

Foreign Use

"Foreign use" means any use, consumption, or disposition which is not within the United States. See section 250(b)(2)(A) and Regulations section 1.250(b)-4(d) for additional details.

FDDEI Service

"FDDEI service" means a provision of a service provided to any person, or with respect to property, not located within the United States, described in Regulations sections 1.250(b)-5(b)(1) through (5). If only a portion of a service is treated as provided to a person, or with respect to property, outside the United States, the provision of the service is an FDDEI service only to the extent of the gross income derived with respect to such portion. See Regulations section 1.250(b)-5(b).

Additional Considerations

Transactions With Multiple Elements

A transaction is classified according to its overall predominant character for purposes of determining whether the transaction is an FDDEI sale under Regulations section 1.250(b)-4 or an FDDEI service under Regulations section 1.250(b)-5. For example, whether a transaction that includes both a sales component and a service component is subject to Regulations section 1.250(b)-4 or Regulations section 1.250(b)-5 is determined based on whether the overall predominant character, taking into account all relevant facts and circumstances, is a sale or service. See Regulations section 1.250(b)-3(d).

Cost of Goods Sold (COGS)

For purposes of determining the gross income included in gross DEI and gross FDDEI of a domestic corporation or a partnership, COGS is attributed to gross receipts with respect to gross DEI or gross FDDEI under any reasonable method that is applied consistently. COGS must be attributed to gross receipts with respect to gross DEI or gross FDDEI regardless of whether certain costs included in COGS can be associated with activities undertaken in an earlier tax year (including a year before the effective date of section 250). See Regulations section 1.250(b)-1(d)(1).

Allocable Deductions

Allocable deductions include all deductions (including taxes) other than interest expense and R&E expenditures, properly allocable to gross DEI.

For purposes of determining a domestic corporation's deductions that are properly allocable to gross DEI and gross FDDEI, the corporation's deductions are allocated and apportioned to gross DEI and gross FDDEI under the rules of Regulations sections 1.861-8 through 1.861-14T and 1.861-17 by treating section 250(b) as an operative section described in Regulations section 1.861-8(f). In allocating and apportioning deductions under Regulations sections 1.861-8 through 1.861-14T and 1.861-17, gross FDDEI and gross RDEI are treated as separate statutory groupings. See Regulations section 1.250(b)-1(d)(2).

If a deduction doesn't bear a definite relationship to a class of gross income constituting less than all of gross income, it shall ordinarily be treated as definitely related and allocable to all of the taxpayer's gross income, including gross FDDEI and gross RDEI, except as provided under Regulations section 1.861-8(e). See Regulations section 1.861-8(b)(5).

Other Deductions

Other deductions include deductions other than allocable deductions reported on line 14. See final and temporary Regulations section 1.861-8.

Related Parties

Special rules for determining foreign use apply to transactions that involve property or services provided to related parties. See section 250(b)(2)(C) and Regulations section 1.250(b)-6.

Information From Partnership

A domestic corporation's DEI and FDDEI for a tax year are determined by taking into account the corporation's share of gross DEI, gross FDDEI, and deductions of any partnership (whether domestic or foreign) in which the corporation is a direct or indirect partner. A domestic corporation's share of each such item of a partnership is determined in accordance with the corporation's distributive share of the underlying items of income, gain, deduction, and loss of the partnership that comprise such amounts. See Regulations section 1.250(b)-1(e)(1). This information should be reported to the partners on Schedules K-3 (Form 1065 or 8865).

Attach a statement to Form 8993 listing for each partnership the partnership's name and employer identification number (EIN) and the partner's distributive share of the partnership's DEI and FDDEI items reported on Part I, Section 2, lines 18a through 18f.

Documentation

For special substantiation requirements, see Regulations sections 1.250(b)-3(f) (general rules), 1.250(b)-4(d)(3) (FDDEI sales), and 1.250(b)-5(e)(4) (FDDEI services).

Corrections to Form 8993

If you file a Form 8993 that you later determine is incomplete or incorrect, file a corrected Form 8993 with an amended tax return, using the amended return instructions for the return with which you originally filed Form 8993. Enter "Corrected" at the top of the corrected Form 8993.

Computer-Generated Form 8993

Generally, all computer-generated forms must receive prior approval from the IRS and are subject to an annual review. Requests for approval may be submitted electronically to *substituteforms@irs.gov*, or requests may be mailed to Internal Revenue Service, Attention: Substitute Forms Program, C:DC:TS:CAR:MP:P:TP:TP, ATSC, 4800 Buford Highway, Mail Stop 061-N, Chamblee, GA 30341.

Specific Instructions

Part I. Determining FDDEI

Use Part I, Section 1, to report the items of income and deductions from Form 1120. For each line item, use the corresponding columns to sort amounts reported on Form 1120 between DEI and DEI exclusions, and between FDDEI and RDEI.

Section 1—Taxable Income Before Net Operating Loss and Section 250 Deductions

Lines 1, 2, and 4–9. Gross Receipts or Sales, COGS, etc.

- **Column (a). Form 1120 amounts:** Enter amounts directly from Form 1120, page 1, lines 1c–9.
- **Column (b). DEI exclusions:** Complete Part II to identify DEI exclusions and enter amounts related to such exclusions in column (b).
- **Column (c). DEI:** Subtract the amounts in column (b) from the amounts in column (a) and enter the differences in column (c).
- **Column (d). General property:** Enter the amounts related to FDDEI sales of general property.
- **Column (e). Intangible property:** Enter the amounts related to FDDEI sales of intangible property.
- **Column (f). Services:** Enter the amounts related to FDDEI services.
- **Column (g). FDDEI total:** Add the amounts in columns (d), (e), and (f) and enter the sum totals in column (g).
- **Column (h). RDEI:** Subtract the amounts in column (g) from the amounts in column (c) and enter the differences in column (h).

Line 3. Gross Profit

In columns (a) through (h), subtract the amount on line 2 from the amount on line 1 and enter the difference on line 3.

Line 10a. Income (Loss) From Partnerships

Complete line 10a if the corporation has investments in partnerships.

- **Column (a). Form 1120:** Enter the portion of Other Income reported on Form 1120, line 10, that is attributable to partnership income.
- **Columns (b)–(h). DEI exclusions, DEI, etc.:** Complete Part I, Section 2, for partnership reporting and enter the amounts from Section 2, line 18g, columns (b) through (h), in the corresponding columns in Section 1.

Line 10b. Other Income

- **Column (a). Form 1120:** Subtract the amount on line 10a from the amount on Form 1120, line 10, and enter the difference in line 10b, column (a).
- **Column (b). DEI exclusions:** Enter the portion of DEI exclusions identified in Part II that were incorporated into the amount in line 10b, column (a).
- **Columns (c)–(h). DEI, FDDEI, etc.:** Follow the instructions for each column with respect to Part I, Section 1, lines 1, 2, and 4–9.

Line 11. Total Income

In columns (a) through (h), add the amounts on lines 3 through 10 and enter the sum totals on line 11.

Lines 12 and 13. Interest Expense and R&E Expenditures

Enter interest expense and R&E expenditures in columns (a) and (b).

Line 14. Allocable Deductions

Applying the rules under the section 861 regulations, allocate the appropriate amount of allocable deductions in columns (b), (d), (e), (f), and (h).

Complete the remaining columns as follows.

- **Column (g).** FDDEI total = column (d) + column (e) + column (f).
- **Column (c).** DEI = column (g) + column (h).
- **Column (a).** Form 1120 = column (b) + column (c).

Enter any section 170(b)(2) or 246(b) amounts in column (b) (see *Allocable Deductions* under *Additional Considerations*, earlier).

Line 15. Other Deductions

Follow the instructions for line 14 above to allocate other deductions applying the section 861 regulations (see *Other Deductions* under *Additional Considerations*, earlier).

Line 16. Total Deductions

In columns (a) through (h), add the amounts on lines 12 through 15 and enter the sum on line 16.

Line 17. Taxable Income Before Net Operating Loss and Section 250 Deductions

In columns (a) through (h), subtract the amount on line 16 from the amount on line 11 and enter the difference on line 17. The amount in column (a) must reconcile to the Form 1120 taxable income before net operating loss deduction and the section 250 deduction.

Section 2—Line 10a Detail for Income (Loss) From Partnerships

If the corporation has partnership income, use Part I, Section 2, to determine the amounts to be reported in Part I, Section 1, line 10a, columns (b) through (h). In this section, include only amounts that were included in the amount in Part I, Section 1, line 10a, column (a).

Line 18a. Gross Receipts From Partnerships With K-3

- **Column (a). Form 1120:** Enter the sum of DEI and the exclusion amounts from Schedule K-3, Part IV, Section 1, lines 2 through 8, column (a).
- **Column (b). DEI exclusions:** Enter the sum of Schedule K-3, Part IV, Section 1, lines 3 through 8, column (a).
- **Column (c). DEI:** Enter the amount from Schedule K-3, Part IV, Section 1, line 2, column (a). **Note:** Column (c) must equal column (a) minus column (b).
- **Columns (d)–(f). FDDEI sales of general property, intangible property, and services:** Enter the amounts from Schedule K-3, Part IV, Section 2, line 9, columns (a) through (c), in the corresponding columns.
- **Column (g). FDDEI total:** Add the amounts in columns (d), (e), and (f) and enter the sum in column (g).
- **Column (h). RDEI:** Subtract column (g) from column (c) and enter the difference in column (h).

Line 18b. COGS From Partnerships With K-3

- **Columns (a)–(c). Form 1120, DEI exclusions, and DEI:** Follow the instructions above for line 18a, columns (a)–(c), but using amounts from Schedule K-3, Part IV, Section 1, column (b).

  Note: Column (c) must equal column (a) minus column (b).

- **Columns (d)–(f). FDDEI sales of general property, intangible property, and services:** Enter the amounts from Schedule K-3, Part IV, Section 2, line 10, columns (a) through (c), in the corresponding columns.
- **Columns (g) and (h). FDDEI total and RDEI:** Follow the instructions above for line 18a, columns (g) and (h).

Line 18c. Allocable Deductions From Partnerships With K-3

- **Columns (a)–(c). Form 1120, DEI exclusions, and DEI:** Follow the instructions above for line 18a, columns (a)–(c), but using amounts from Schedule K-3, Part IV, Section 1, column (d).

  Note: Column (c) must equal column (a) minus column (b).

- **Columns (d)–(f). FDDEI sales of general property, intangible property, and services:** Enter the amounts from Schedule K-3, Part IV, Section 2, line 11, columns (a) through (c), in the corresponding columns.
- **Columns (g) and (h). FDDEI total and RDEI:** Follow the instructions above for line 18a, columns (g) and (h).

Line 18d. Interest Expense From Partnerships With K-3

Enter the amount from Schedule K-3, Part IV, Section 3, line 12, in both columns (a) and (b).

Line 18e. R&E Expenditures From Partnerships With K-3

Enter the amount from Schedule K-3, Part IV, Section 3, line 13, in both columns (a) and (b).

Line 18f. Income From Partnerships Without K-3

- **Columns (a), (c), and (h). Form 1120, DEI, and RDEI:** Enter the amount included in line 10a, column (a), from partnerships without Schedule K-3, Part IV.

Line 18g. Income (Loss) From Partnerships

For each column, subtract the deductions (lines 18b–18e) from gross receipts (line 18a), add the amount on line 18f, and enter the result on line 18g. Then enter the amounts in line 18g, columns (b) through (h), in Part I, Section 1, line 10a, columns (b) through (h).

Note: The amount in line 18g, column (a), must equal the amount reported in Part I, Section 1, line 10a, column (a). Further, the amount in line 18g, column (c), must equal column (a) minus column (b). Perform this reconciliation to ensure that all partnership amounts are properly included and that no amounts are overstated or omitted.

Part II. Determining DEI Exclusions

Use Part II to identify the exclusions from DEI.

Lines 19a–h

Enter the DEI exclusion amounts on lines 19a through 19h. Amounts related to such exclusions should be entered in Part I, Section 1, column (b).

Line 19a. Enter any amount included in the gross income of such corporation under section 951(a)(1). Include the section 78 gross-up with respect to the inclusion under section 951(a)(1).
Line 19b. Enter any amount included in the gross income of such corporation under section 951A (NCTI), determined on Form 8992.
Line 19bb. Enter any section 78 gross-up related to income included under section 951A.
Line 19c. Enter any financial services income (as defined under section 904(d)(2)(D)).
Line 19d. Enter any dividends received from a CFC with respect to which the corporation is a U.S. shareholder, as defined under section 951(b).
Line 19e. Enter any domestic oil and gas extraction income. The term “domestic oil and gas extraction income” means income described in section 907(c)(1),

determined by substituting "within the United States" for "without the United States."

Line 19f. Enter any foreign branch income (as defined in section 904(d)(2)(J)).

Line 19g. Enter any income and gain from the sale or other disposition (including pursuant to the deemed sale or other deemed disposition or a transaction subject to section 367(d)) of intangible property (as defined in section 367(d)(4)) occurring after June 16, 2025.

Line 19h. Enter any income and gain from the sale or other disposition (including pursuant to the deemed sale or other deemed disposition or a transaction subject to section 367(d)) of any other property of a type that is subject to depreciation, amortization, or depletion by the seller, occurring after June 16, 2025.

Line 19i. Total Exclusions

Add the amounts on lines 19a through 19h and enter the sum on line 19i.

Part III. Determining FDDEI and/or NCTI Deduction

Use Part III to determine the section 250 deduction.

Line 20. FDDEI

Enter the lesser of Part I, Section 1, line 17, column (c) or column (g). If less than zero, enter -0-. This limitation ensures that FDDEI cannot exceed total DEI.

Line 21. NCTI

Enter the NCTI (amount from Part II, line 19b).

Line 22. Total FDDEI and NCTI

Add the amounts on lines 20 and 21 and enter the sum on line 22.

Line 23. Taxable Income

Enter the taxable income of the domestic corporation (determined without regard to section 250 and applying the section 246(b) limitation as if there were no deduction under section 250).

Line 24. Excess FDDEI and NCTI Over Taxable Income

If the amount on line 23 is equal to or less than zero, enter the line 22 amount on line 24. If the amount on line 23 is greater than zero and less than the amount on line 22, subtract the amount on line 23 from the amount on line 22 and enter the difference on line 24. If the amount on line 23 is greater than zero and greater than the amount on line 22, enter -0- on line 24.

Line 25. FDDEI Reduction

If the amount on line 22 is zero, enter -0- on line 25. Otherwise, divide the amount on line 20 by the amount on line 22, then multiply the resulting amount by the amount on line 24. Enter the result on line 25.

Line 26. NCTI Reduction

Subtract the amount on line 25 from the amount on line 24 and enter the difference on line 26.

Line 27. FDDEI Deduction

Subtract the amount on line 25 (FDDEI reduction) from the amount on line 20 (FDDEI). Then multiply the resulting amount by 33.34% (0.3334) and enter the product on line 27.

Line 28. NCTI Deduction

Subtract the amount on line 26 (NCTI reduction) from the amount on line 21 (NCTI). Then add the section 78 gross-up related to NCTI. Then multiply the resulting amount by 40% (0.4) and enter the product on line 28.

Line 29. Total Section 250 Deduction

Add the amounts on lines 27 and 28. Enter on line 29 the total determined before the application of section 246(b). See the Worksheet for Schedule C, Lines 9 and 22 in the Instructions for Form 1120 to calculate the section 250 deduction after application of the section 246(b) limitation.

Example

Corporation A reports the following amounts on Form 1120.

- Line 1c, gross receipts or sales: $2,000.
- Line 2, COGS: $1,000.
- Line 10, other income: $150.
- Line 12, interest expense: $120.
- Line 13, R&E expenditures: $50.
- Line 14, allocable deductions: $200.
- Line 15, other deductions: $100.

Of Corporation A's $2,000 in gross receipts or sales, $400 is foreign branch (FB) gross receipts or sales related to a DEI exclusion, $1,000 relates to FDDEI sales of general property, and $600 relates to other sales or RDEI.

Of Corporation A's $1,000 in COGS, $250 is attributable to FB gross receipts or sales related to a DEI exclusion, $600 relates to FDDEI sales of general property, and $150 relates to other sales or RDEI.

Corporation A's $150 of other income relates to investments in Partnerships X and Y.

Of Corporation A's $200 in allocable deductions, $50 relates to DEI exclusions, $80 relates to FDDEI sales of general property, and $70 relates to RDEI.

Of Corporation A's $100 in other deductions, $30 relates to DEI exclusions, $40 relates to FDDEI, and $30 relates to RDEI.

Corporation A determines that it has a $150 FB income DEI exclusion ($400 FB gross receipts or sales less $250 COGS attributable to such FB gross receipts or sales).

Corporation A's Schedule K-3, Part IV, for Partnership X reports the following.

- Gross receipts: $500 ($400 DEI; $250 FDDEI (general property); $100 FB).
- COGS: $300 ($240 DEI; $150 FDDEI; $60 FB).
- Interest expense: $20.
- R&E expenditures: $10.
- Allocable deductions: $100 ($75 allocable to DEI, including $40 allocable to FDDEI; $25 allocable to DEI exclusions).

Corporation A does not have a Schedule K-3, Part IV, for Partnership Y because Partnership Y does not have any DEI exclusions, FDDEI, interest expense, or R&E expenditures. Corporation A's net income from Partnership Y is $80.

Based on these facts, Corporation A should report as follows on Form 8993.

Part I **Determining Foreign-Derived Deduction Eligible Income (FDDEI)** (see instructions)

Section 1—Taxable Income Before Net Operating Loss and Section 250 Deductions

		(a) Form 1120	(b) Deduction eligible income (DEI) exclusions	(c) DEI	(d) FDDEI sales of general property	(e) FDDEI sales of intangible property	(f) FDDEI services	(g) FDDEI total (add columns (d) through (f))	(h) Residual DEI (RDEI)
1	Gross receipts or sales	2,000	400	1,600	1,000			1,000	600
2	Cost of goods sold (COGS)	1,000	250	750	600			600	150
3	Gross profit	1,000	150	850	400			400	450
4	Dividends and inclusions								
5	Interest								
6	Gross rents								
7	Gross royalties								
8	Capital gain net income								
9	Net gain (loss) from Form 4797								
10a	Income (loss) from partnerships	150	(15)	165	60			60	105
10b	Other income								
11	**Total income.** Add lines 3 through 10b	1,150	135	1,015	460			460	555
12	Interest expense	120	120						
13	Research or experimental expenditures	50	50						
14	Allocable deductions	200	50	150	80			80	70
15	Other deductions	100	30	70	40			40	30
16	Total deductions (add lines 12 through 15)	470	250	220	120			120	100
17	**Taxable income before net operating loss and section 250 deductions**	680	(115)	795	340			340	455

Part I **Determining Foreign-Derived Deduction Eligible Income (FDDEI)** (see instructions) *(continued)*

Section 2—Line 10a Detail for Income (Loss) From Partnerships

		(a) Form 1120	(b) DEI exclusions	(c) DEI	(d) FDDEI sales of general property	(e) FDDEI sales of intangible property	(f) FDDEI services	(g) FDDEI total (add columns (d) through (f))	(h) RDEI
18a	Gross receipts from partnerships with K-3	500	100	400	250			250	150
18b	COGS from partnerships with K-3	300	60	240	150			150	90
18c	Allocable deductions from partnerships with K-3	100	25	75	40			40	35
18d	Interest expense from partnerships with K-3	20	20						
18e	Research or experimental expenditures from partnerships with K-3	10	10						
18f	Income from partnerships without K-3	80		80					80
18g	Income (loss) from partnerships	150	(15)	165	60			60	105

Part II **Determining DEI Exclusions** (see instructions)

19a	Income included under section 951(a)(1)	19a	
19b	Income included under section 951A	19b	
19bb	Section 78 gross-up related to income included under section 951A	19bb	
19c	Financial services income	19c	
19d	CFC dividends	19d	
19e	Domestic oil and gas extraction income	19e	
19f	Foreign branch income	19f	150
19g	Income and gain from the sale or other disposition of intangible property under section 250(b)(3)(A)(i)(VII)(aa)	19g	
19h	Income and gain from the sale or other disposition of certain other property under section 250(b)(3)(A)(i)(VII)(bb)	19h	
19i	**Total exclusions**	19i	150

Part III **Determining FDDEI and/or NCTI Deduction** (see instructions)

20	FDDEI	20	340
21	NCTI (enter amount from Part II, line 19b)	21	
22	Total FDDEI and NCTI (add lines 20 and 21)	22	340
23	Taxable income	23	680
24	Excess FDDEI and NCTI over taxable income	24	-0-
25	FDDEI reduction	25	-0-
26	NCTI reduction (subtract line 25 from line 24)	26	-0-
27	FDDEI deduction	27	113
28	NCTI deduction	28	
29	**Total section 250 deduction**	29	113

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.