



Questions and Answers about Reporting Related to Section 965 on 2017 Tax Returns

This document provides answers to questions regarding return filing and tax payment obligations arising under section 14103 of “An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018,” P.L. 115-97 (“the Act”), which was enacted on December 22, 2017. The new provision enacted by section 14103 of the Act, set forth at section 965 of the Internal Revenue Code (the “Code”), applies with respect to the last taxable year of certain specified foreign corporations (as defined under section 965(e) of the Code) beginning before January 1, 2018, and the amount included in income under section 965 of the Code is includible in the United States shareholder’s year in which or with which such a specified foreign corporation’s year ends. Taxpayers may have to pay tax resulting from section 965 of the Code when filing their 2017 tax returns. For example, section 965 of the Code may give rise to a 2017 tax liability for a calendar year United States shareholder holding an interest in a calendar year specified foreign corporation.

In general, section 965 of the Code requires United States shareholders, as defined under section 951(b) of the Code, to pay a transition tax on the untaxed foreign earnings of certain specified foreign corporations as if those earnings had been repatriated to the United States. Very generally, section 965 of the Code allows taxpayers to reduce the amount of such inclusion based on deficits in earnings and profits with respect to other specified foreign corporations. The effective tax rates applicable to such income inclusions are adjusted by way of a participation deduction set out in section 965(c) of the Code. A reduced foreign tax credit applies to the inclusion under section 965(g) of the Code. Taxpayers, pursuant to section 965(h) of the Code, may elect to pay the transition tax in installments over an eight-year period. Generally, a specified foreign corporation means either a controlled foreign corporation, as defined under section 957 of the Code (“CFC”), or a foreign corporation (other than a passive foreign investment company, as defined under section 1297 of the Code, that is not also a CFC) that has a United States shareholder that is a domestic corporation.

The instructions in these FAQs are for filing 2017 tax returns with an amount under section 965 of the Code. Failure to submit tax returns according to these instructions may result in difficulties in processing tax returns, including rejection, processing delays, or erroneous notices being issued.

Taxpayers who electronically file Form 1040 are requested to wait to file their return on or after April 2, 2018. This will provide the IRS time to make certain system changes to allow the returns to be accepted and processed.

Q1. Who is required to report amounts under section 965 of the Code on a 2017 tax return?

A1. A person that is required to include amounts in income under section 965 of the Code in its 2017 taxable year, whether because, the person is a United States shareholder of a deferred foreign income corporation (as defined under section 965(d) of the Code) or because it is a direct or indirect partner in a domestic partnership, a shareholder in an S corporation, or a beneficiary of another passthrough entity that is a United States shareholder of a deferred foreign income corporation, is required to report amounts under section 965 of the Code on its 2017 tax return.

Q2. How are amounts under section 965 of the Code reported on a 2017 tax return?

A2. Amounts required to be reported on a 2017 tax return should be reported on the return as reflected in the table included in Appendix: Q&A2. The table reflects only how items related to amounts included in income under section 965 of the Code should be reported on a 2017 tax return. It does not address the reporting in other scenarios, including distributions made in 2017, which should be reported consistent with the Code and the current forms and instructions.

Q3. Is there any other reporting in connection with section 965 of the Code required on a 2017 tax return?

A3. Yes. A person that has income under section 965 of the Code for its 2017 taxable year is required to include with its return an [IRC 965 Transition Tax Statement](#), signed under penalties of perjury and, in the case of an electronically filed return, in Portable Document Format (.pdf) with a filename of “965 Tax”. The IRC 965 Transition Tax Statement must include the following information:

- The person’s total amount required to be included in income under section 965(a) of the Code.
- The person’s aggregate foreign cash position, if applicable.
- The person’s total deduction under section 965(c) of the Code.
- The person’s deemed paid foreign taxes with respect to the total amount required to be included in income by reason of section 965(a).
- The person’s disallowed deemed paid foreign taxes pursuant to section 965(g).
- The total net tax liability under section 965 (as determined under section 965(h)(6), without regard to whether such paragraph is applicable), if applicable, which will be assessed.
- The amount of the net tax liability under section 965 to be paid in installments under section 965(h) of the Code, if applicable.
- The amount of the net tax liability under section 965, the payment of which has been deferred, under section 965(i) of the Code, if applicable.
- A listing of elections under section 965 of the Code or the election provided for in Notice 2018-13 that the taxpayer has made, if applicable.

A model statement is included in Appendix: Q&A3. Adequate records must be kept supporting the section 965(a) inclusion amount, deduction under section 965(c) of the Code, and net tax liability under section 965, as well as the underlying calculations of these amounts. Moreover, additional reporting may be required when filing returns for subsequent tax years, and the manner of reporting may be different. See also Q&A8 concerning Form 5471 filing.

Q4. What elections are available with respect to section 965 of the Code on a 2017 tax return?

A4. Section 965 of the Code permits multiple elections related to amounts included in income by reason of section 965 of the Code or the payment of a taxpayer's net tax liability under section 965 (as determined under section 965(h)(6)). Statutory elections can be found in section 965(h), (i), (m), and (n).

Furthermore, the Treasury Department and the IRS have announced another election that may be made with respect to the determination of the post-1986 earnings and profits of a specified foreign corporation. This election is described in Notice 2018-13, 2018-6 I.R.B. 341, Section 3.02.

Q5. Who can make an election with respect to section 965 of the Code on a 2017 tax return?

A5. The elections under section 965 of the Code are limited to taxpayers with a net tax liability under section 965 (in the case of section 965(h) of the Code), taxpayers that are shareholders of S corporations and that have a net tax liability under section 965 (in the case of section 965(i) of the Code), taxpayers that are REITs (in the case of section 965(m) of the Code), or taxpayers with an NOL (in the case of section 965(n) of the Code). Thus, a domestic partnership or an S corporation that is a United States shareholder of a deferred foreign income corporation may not make any of the elections under section 965 of the Code. In advance of April 2, 2018 (see Q&A11), the Treasury Department and the IRS intend to provide further guidance concerning the availability of the elections under section 965 of the Code to direct and indirect partners in domestic partnerships, shareholders in S corporations, and beneficiaries in other passthrough entities that are United States shareholders of deferred foreign income corporations.

The election under Notice 2018-13, Section 3.02 may be made on behalf of a specified foreign corporation pursuant to the rules of §1.964-1(c)(3).

In the case of a consolidated group (as defined in §1.1502-1(h)), in which one or more members are United States shareholders of a specified foreign corporation, the agent for the group (as defined in §1.1502-77) must make the elections on behalf of its members.

Q6. When must an election with respect to section 965 of the Code be made?

A6. An election with respect to section 965 of the Code must be made by the due date (including extensions) for filing the return for the relevant year. However, even if an election is made under section 965(h) of the Code to pay a net tax liability under section 965 of the Code in installments, the first installment must be paid by the due date (without extensions) for filing the return for the relevant year.

Q7. How is an election with respect to section 965 of the Code made on a 2017 tax return?

A7. A person makes an election under section 965 of the Code or the election provided for in Notice 2018-13, Section 3.02, by attaching to a 2017 tax return a statement signed under penalties of perjury and, in the case of an electronically filed return, in Portable Document Format (.pdf), for each such election. Each such statement must include the person's name, taxpayer identification number and any other information relevant to the election, such as

the net tax liability under section 965 with respect to which the installment election under section 965(h)(1) of the Code applies, the name and taxpayer identification number of the S corporation with respect to which the deferral election under section 965(i)(1) of the Code is made, the section 965(a) inclusion amount with respect to which the election under section 965(m)(1)(B) of the Code applies, the amount described in section 965(n)(2) of the Code to which the election under section 965(n)(1) of the Code applies, and the name and taxpayer identification number, if any, of the specified foreign corporation with respect to which the election under Notice 2018-13, Section 3.02, is made. Model statements are included in Appendix: Q&A7. Each election statement must have the applicable title and, in the case of an attachment in Portable Document Format (.pdf) included with an electronically filed return, the file name reflected in the following table:

Provision Under Which Election is Made	Title	File Name
Section 965 (h)(1)	Election to Pay Net Tax Liability Under Section 965 in Installments under Section 965(h)(1)	965(h)
Section 965(i)(1)	S Corporation Shareholder Election to Defer Payment of Net Tax Liability Under Section 965 Under Section 965(i)(1)	965(l)
Section 965 (m)(1)(B)	Statement for Real Estate Investment Trusts Electing Deferred Inclusions Under Section 951(a)(1) By Reason of Section 965 Under Section 965(m)(1)(B)	965 (m)
Section 965 (n)	Election Not to Apply Net Operating Loss Deduction under section 965(n)	965(n)

<p>Notice 2018-13, Section 3.02</p>	<p>Election Under Section 3.02 of Notice 2018-13 to Use Alternative Method to Compute Post-1986 Earnings and Profits</p>	<p>2018-13</p>
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Q8. Is a Form 5471 with respect to all specified foreign corporations with respect to which a person is a United States shareholder required to be filed with the person's 2017 tax return, regardless of whether the specified foreign corporations are CFCs?

A8. Yes. In order to collect information relevant to the calculation of a United States shareholder's section 965(a) inclusion amount, a person that was a United States Shareholder of a specified foreign corporation during its 2017 taxable year, including on the last day of such year, and owned stock of the specified foreign corporation on the last day of the specified foreign corporation's year that ended during the person's year must file a Form 5471 with respect to the specified foreign corporation completed with the identifying information on page 1 of Form 5471 above Schedule A, as well as Schedule J. The exceptions to filing in the instructions to Form 5471 otherwise will continue to apply. Notice 2018-13, Section 5.02 also provides an exception to filing Form 5471 for certain United States shareholders considered to own stock by "downward attribution" from a foreign person. The IRS intends to modify the instructions to the Form 5471 as necessary.

Q9. Are domestic partnerships, S corporations, or other passthrough entities required to report any additional information to their partners, shareholders, or beneficiaries in connection with section 965 of the Code?

A9. Yes. A domestic partnership, S corporation, or other passthrough entity should attach a statement to its Schedule K-1s, if applicable, that includes the following information for each deferred foreign income corporation for which such passthrough entity has a section 965(a) inclusion amount:

- The partner's, shareholder's, or beneficiary's share of the partnership's, S corporation's, or other passthrough entity's section 965(a) inclusion amount, if applicable.
- The partner's, shareholder's, or beneficiary's share of the partnership's, S corporation's, or other passthrough entity's deduction under section 965(c), if applicable.
- Information necessary for a domestic corporate partner, or an individual making an election under section 962, to compute its deemed paid foreign tax credits with respect to its share of the partnership's, S corporation's, or passthrough entity's section 965(a) inclusion amount, if applicable.

Q10. How should a taxpayer pay the tax resulting from section 965 of the Code for a 2017 tax return?

A10. A taxpayer should make two separate payments as follows: one payment reflecting tax owed without regard to section 965 of the Code, and a second, separate payment reflecting tax owed resulting from section 965 of the Code (the 965 Payment). Both payments must be paid by the due date of the applicable return (without extensions).

The 965 Payment must be made either by wire transfer or by check or money order. This may be the first year’s installment of tax owed in connection with a 2017 tax return by a taxpayer making the election under section 965(h) of the Code, or the full net tax liability under section 965 of the Code for a taxpayer who does not make such election and does not make an election under section 965(i) of the Code. For the 965 Payment, there is no penalty for taxpayers electing to use wire transfers as an alternative to otherwise mandated EFTPS payments. Accordingly, taxpayers that would normally be required to pay through EFTPS should submit the 965 Payment via wire transfer or they may be subject to penalties. On a wire payment of tax owed under section 965 of the Code, the taxpayer would use a 5-digit tax type code of 09650 (for more information, see <https://www.irs.gov/payments/same-day-wire-federal-tax-payments>). On a check or money order payment of tax owed resulting from section 965 of the Code, include an appropriate payment voucher (such as Form 1040-V or 1041-V) and along with all other required information write on the front of your payment “2017 965 Tax.”

For the payment owed without regard to section 965, normal payment procedures apply (for more information, see <https://www.irs.gov/payments>). This payment may be made at the same or different time from the 965 Payment, but must be made by the due date of the return or penalties and interest may apply.

Q11. If not already filed, when should an individual taxpayer electronically file a 2017 tax return?

A11. Individual taxpayers who electronically file their Form 1040 should file on or after April 2, 2018. Individual taxpayers who file a paper Form 1040 can do so at any time.

Q12. If a person has already filed a 2017 tax return, what should the person do?

A12. The person should consider filing an amended return based on the information provided in these FAQs and Appendices. Failure to submit a return in this manner may result in processing difficulties and erroneous notices being issued. Failure to accurately reflect the net tax liability under section 965 of the Code in total tax could result in interest and penalties.

In order to amend a return, a person would file the applicable form for amending the return pursuant to regular instructions and would attach:

- amended versions of forms and schedules necessary to follow the instructions in these FAQs,
- any election statements, and
- the IRC 965 Transition Tax Statement included in Appendix: Q&A3.

Appendix: Q&A2

Individual Taxpayer
Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount [1]	965(c) Deduction [2]	Foreign Tax Credit (FTC) [3]	Reporting of Net Tax Liability Under Section 965 [4] and Amounts to Be Paid in Installments Under Section 965(h) or Deferred Under Section 965(i), If Applicable
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<p>1040</p>	<p>Include a net section 965 amount (section 965(a) amount less section 965(c) deduction) on Page 1, Line 21, Other Income. Write SEC 965 on the dotted line to the left of Line 21.</p>	<p>See 965(a) amount column.</p>	<p>Report the relevant section 965(a) amount and the relevant section 965(c) deduction on Form 1116.</p> <p>If an IRC 962 election is made, report the relevant section 965(a) amount, the relevant section 965(c) deduction, the deemed paid foreign taxes with respect to the relevant section 965(a) amount, and the disallowed foreign taxes under section 965(g) on Form 1118.</p>	<p>Reduce on Page 2, Line 44, Tax the amount of net tax liability deferred under section 965(i), if applicable. Check box ‘c’ on Line 44 and write 965 to the right of the box.</p> <p>Include in total on Page 2, Line 73 the amount to be paid in installments for years beyond the 2017 year, if applicable. Check box ‘d’ on Line 73 and write TAX to the right of the box.</p>
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[1] This includes section 965(a) inclusion amounts of a United States shareholder of a deferred foreign income corporation and distributive shares and pro rata shares of section 965(a) inclusion amounts of domestic partnerships, S corporations, and other passthrough entities.

[2] This includes deductions under section 965(c) of a United States shareholder of a deferred foreign income corporation and distributive shares and pro rata shares of deductions under section 965(c) of domestic partnerships, S corporations, and other passthrough entities.

[3] See section 965(g).

[4] See section 965(h)(6) and Q&A3.

S corporation or Partnership Taxpayer

Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965
1120 S [5]	Page 3, Schedule K, Line 10	Page 3, Schedule K, Line 12d	N/A	N/A
1065 [5]	Page 4, Schedule K, Line 11	Page 4, Schedule K, Line 13d	N/A	N/A

[5] To make the 965(i) election, the taxpayer will have to file a paper Form 1040.

Estate or Trust Taxpayer

Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965 (h) or Deferred Under Section 965 (i), If Applicable
1041 [5] – Net 965 amount distributed to beneficiary	Include the net 965 amount (section 965 (a) amount less section 965 (c) deduction) to the extent distributed. Include on Page 1, Line 8, Other Income.	See 965(a) amount column.	N/A	N/A

<p>1041 – Net 965 amount not distributed to beneficiary</p>	<p>Do not enter the amount on Form 1041 but rather report on IRC 965 Transition Tax Statement, Line 1.</p>	<p>Do not enter an amount on Form 1041 but rather report on IRC 965 Transition Tax Statement, Line 3.</p>	<p>Do not report the relevant section 965 (a) amount and the relevant section 965 (c) deduction on Form 1116.</p> <p>If an IRC 962 election is made, do not report the relevant section 965 (a) amount, the relevant section 965 (c) deduction, the deemed paid foreign taxes with respect to the relevant section 965 (a) amount, and the disallowed foreign taxes under section 965 (g) on Form 1118. Report the deemed paid foreign</p>	<p>Include in total on Page 2, Schedule G, Line 7 the net tax liability under section 965.</p> <p>Include in amount on Page 1, Line 24a the amount to be paid in installments for years beyond the 2017 year, if applicable.</p>
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			taxes with respect to the section 965(a) amount and the foreign taxes disallowed under section 965 (g) on IRC 965 Transition Tax Statement, Lines 4a and 4b.	
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Form 1120 Corporate Taxpayer

Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965 (h), If Applicable

<p>1120</p>	<p>Do not enter an amount on Form 1120 but rather report on IRC 965 Transition Tax Statement, Line 1.</p>	<p>Do not enter an amount on Form 1120 but rather report on IRC 965 Transition Tax Statement, Line 3.</p>	<p>Do not enter the relevant section 965(a) amount, the relevant section 965(c) deduction, the deemed paid foreign taxes with respect to the relevant section 965(a) amount, and the foreign taxes disallowed under section 965(g) on Form 1118. Report the deemed paid foreign taxes with respect to the section 965 (a) amount and the foreign taxes disallowed under section 965(g) on IRC 965 Transition Tax Statement, Lines 4a and 4b.</p>	<p>Include in total on Page 3, Schedule J, Part I, Line 11 net tax liability under section 965.</p> <p>Include in total on Page 3, Schedule J, Part II, Line 19d the amount to be paid in installments for years beyond the 2017 year, if applicable.</p>
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<p>1120 PC</p>	<p>Do not enter an amount on Form 1120-PC but rather report on IRC 965 Transition Tax Statement, Line 1.</p>	<p>Do not enter an amount on Form 1120-PC but rather report on IRC 965 Transition Tax Statement, Line 3.</p>	<p>Do not enter the relevant section 965(a) amount, the relevant section 965(c) deduction, the deemed paid foreign taxes with respect to the relevant section 965(a) amount, and the foreign taxes disallowed under section 965(g) on Form 1118. Report the deemed paid foreign taxes with respect to the section 965 (a) amount and the foreign taxes disallowed under section 965(g) on IRC 965 Transition Tax Statement, Lines 4a and 4b.</p>	<p>Include in total on Page 1, Line 13 the net tax liability under section 965.</p> <p>Include in total on Page 1, Line 14k the amount to be paid in installments for years beyond the 2017 taxable year, if applicable.</p> <p>Write '965' on the dotted line to the left of Line 14k.</p>
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Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965(h), If Applicable
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<p>1120 L</p>	<p>Do not enter an amount on Form 1120-L but rather report on IRC 965 Transition Tax Statement, Line 1.</p>	<p>Do not enter an amount on Form 1120-L but rather report on IRC 965 Transition Tax Statement, Line 3.</p>	<p>Do not enter the relevant section 965(a) amount, the relevant section 965(c) deduction, the deemed paid foreign taxes with respect to the relevant section 965(a) amount, and the foreign taxes disallowed under section 965(g) on Form 1118. Report the deemed paid foreign taxes with respect to the section 965(a) amount and the foreign taxes disallowed under section 965(g) on IRC 965 Transition Tax Statement, Lines 4a and 4b</p>	<p>Include in total on Page 6, Schedule K, Line 10 the net tax liability under section 965.</p> <p>Include in total on Page 1, Line 29k the amount to be paid in installments for years beyond the 2017 year, if applicable. Write '965' on the dotted line to the left of Line 29k.</p> <p>.</p>
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Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965 (h), If Applicable
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<p>1120 REIT that makes Section 965(m) (1)(B) election</p>	<p>Include the 8% portion of the net 965 amount (section 965(a) amount less section 965(c) deduction) on page 1, Part I, Line 7, “Other Income.” Write SEC 965 on the dotted line to the left of Line 7.</p> <p>So as not to include the 8% portion of the net 965 amount in the REIT’s gross income tests (see section 965(m) (1)(A)), include it on page 2, Part III, Lines 2 (c) and 5(c). With regard to those lines, the Instructions for Form 1120-REIT require the taxpayer to attach a copy of the Secretary’s determination allowing an exclusion pursuant to section 856(c)</p>	<p>See 965(a) amount column.</p>	<p>If applicable, enter the relevant section 965 (a) amount, the relevant section 965 (c) deduction, the deemed paid foreign taxes with respect to the relevant section 965 (a) amount, and the foreign taxes disallowed under section 965 (g) on Form 1118.</p>	<p>N/A</p>
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	<p>(5)(J)(i) to its tax return. The attachment of IRC 965 Transition Tax Statement to the taxpayer's return satisfies this requirement.</p>		
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Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965 (h)), If Applicable

<p>1120 REIT that makes neither Section 965(m)(1)(B) election nor Section 965(h) election</p>	<p>Include the net 965 amount (section 965(a) amount less section 965(c) deduction) on page 1, Part I, Line 7, “Other Income.” Write SEC 965 on the dotted line to the left of Line 7.</p> <p>So as not to include the net 965 amount in the REIT’s gross income tests (see section 965 (m)(1)(A)), include it on page 2, Part III, Lines 2(c) and 5 (c). With regard to those lines, the Instructions for Form 1120-REIT require the taxpayer to attach a copy of the Secretary’s determination allowing an exclusion pursuant to section 856(c)(5)(J)(i) to its tax return. The attachment of</p>	<p>See 965(a) amount column.</p>	<p>If applicable, enter the relevant section 965 (a) amount, the relevant section 965 (c) deduction, the deemed paid foreign taxes with respect to the relevant section 965 (a) amount, and the foreign taxes disallowed under section 965 (g) on Form 1118.</p>	<p>N/A</p>
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	IRC 965 Transition Tax Statement to the taxpayer's return satisfies this requirement.			
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Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965 (h)), If Applicable

<p>1120 REIT that makes Section 965(h) election</p>	<p>Include the net 965 amount (section 965(a) amount less section 965(c) deduction) on page 1, Part I, Line 7, “Other Income.” Write SEC 965 on the dotted line to the left of Line 7.</p> <p>So as not to include the net 965 amount in the REIT’s gross income tests (see section 965 (m)(1)(A)), include it on page 2, Part III, Lines 2(c) and 5 (c). With regard to those lines, the Instructions for Form 1120-REIT require the taxpayer to attach a copy of the Secretary’s determination allowing an exclusion pursuant to section 856(c) (5)(J)(i) to its tax return. The attachment of</p>	<p>See 965(a) amount column.</p>	<p>If applicable, enter the relevant section 965 (a) amount, the relevant section 965 (c) deduction, the deemed paid foreign taxes with respect to the relevant section 965 (a) amount, and the foreign taxes disallowed under section 965 (g) on Form 1118.</p>	<p>Include in total on Page 1, Line 24h the amount to be paid in installments for years beyond the 2017 taxable year. Write ‘965’ in the space above Line 24h</p>
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	IRC 965 Transition Tax Statement to the taxpayer's return satisfies this requirement.			
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Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965(h)), If Applicable

<p>1120 REIT that makes Section 965(h) election</p>	<p>Include a net 965 amount (section 965 (a) amount less section 965(c) deduction) on page 1, Part I, Line 7, “Other Income”. Write SEC 965 on the dotted line to the left of Line 7.</p>	<p>See 965(a) amount column.</p>	<p>If applicable, enter the relevant section 965 (a) amount, the relevant section 965 (c) deduction, the deemed paid foreign taxes with respect to the relevant section 965 (a) amount, and the foreign taxes disallowed under section 965(g) on Form 1118.</p>	<p>Include in total on Page 2, Part I, Line 28i the amount to be paid in installments for years beyond the 2017 taxable year, if applicable. Write ‘965’ in the space above Line 28i.</p>
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Exempt Organization Taxpayer

Follow these reporting instructions along with attaching the IRC 965 Transition Tax Statement

Form	965(a) Amount	965(c) Deduction	Foreign Tax Credit (FTC)	Reporting of Net Tax Liability Under Section 965 and Amounts to Be Paid in Installments Under Section 965(h), If Applicable
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<p>990T</p>	<p>Do not enter an amount on Form 990-T but rather report on IRC 965 Transition Tax Statement, Line 1.</p>	<p>Do not enter an amount on Form 990-T but rather report on IRC 965 Transition Tax Statement, Line 3.</p>	<p>Do not enter the relevant section 965(a) amount, the relevant section 965(c) deduction, the deemed paid foreign taxes with respect to the relevant section 965(a) amount, and the foreign taxes disallowed under section 965(g) on Form 1118. Report the deemed paid foreign taxes with respect to the section 965(a) amount and the foreign taxes disallowed under section 965(g) on IRC 965 Transition Tax Statement, Lines 4a and 4b.</p>	<p>Include in total on Page 2, Part IV, Line 44 the net tax liability under section 965.</p> <p>Include in total on Page 2, Part IV, Line 45g the amount to be paid in installments for years beyond the 2017 year, if applicable. Check the “Other” box on Line 45g and write “965” to the right of the box.</p>
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