

1962—Pub. L. 87-834, §12(b)(3), Oct. 16, 1962, 76 Stat. 1031, added items for subparts F and G.

#### SUBPART A—FOREIGN TAX CREDIT

Sec.	
901.	Taxes of foreign countries and of possessions of United States.
[902.	Repealed.]
903.	Credit for taxes in lieu of income, etc., taxes.
904.	Limitation on credit.
905.	Applicable rules.
906.	Nonresident alien individuals and foreign corporations.
907.	Special rules in case of foreign oil and gas income.
908.	Reduction of credit for participation in or cooperation with an international boycott.
909.	Suspension of taxes and credits until related income taken into account.

#### AMENDMENTS

2017—Pub. L. 115-97, title I, §14301(c)(38), Dec. 22, 2017, 131 Stat. 2225, struck out item 902 “Deemed paid credit where domestic corporation owns 10 percent or more of voting stock of foreign corporation”.

2010—Pub. L. 111-226, title II, §211(b), Aug. 10, 2010, 124 Stat. 2395, added item 909.

1986—Pub. L. 99-514, title XII, §1202(d), Oct. 22, 1986, 100 Stat. 2531, substituted “Deemed paid credit where domestic corporation owns 10 percent or more of voting stock of foreign corporation” for “Credit for corporate stockholder in foreign corporation” in item 902.

1976—Pub. L. 94-455, title X, §1061(b), Oct. 4, 1976, 90 Stat. 1650, added item 908.

1975—Pub. L. 94-12, title VI, §601(c), Mar. 29, 1975, 89 Stat. 57, added item 907.

1966—Pub. L. 89-809, title I, §106(a)(2), Nov. 13, 1966, 80 Stat. 1569, added item 906.

### § 901. Taxes of foreign countries and of possessions of United States

#### (a) Allowance of credit

If the taxpayer chooses to have the benefits of this subpart, the tax imposed by this chapter shall, subject to the limitation of section 904, be credited with the amounts provided in the applicable paragraph of subsection (b) plus, in the case of a corporation, the taxes deemed to have been paid under section 960. Such choice for any taxable year may be made or changed at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter for such taxable year. The credit shall not be allowed against any tax treated as a tax not imposed by this chapter under section 26(b).

#### (b) Amount allowed

Subject to the limitation of section 904, the following amounts shall be allowed as the credit under subsection (a):

##### (1) Citizens and domestic corporations

In the case of a citizen of the United States and of a domestic corporation, the amount of any income, war profits, and excess profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; and

##### (2) Resident of the United States or Puerto Rico

In the case of a resident of the United States and in the case of an individual who is a bona fide resident of Puerto Rico during the entire

taxable year, the amount of any such taxes paid or accrued during the taxable year to any possession of the United States; and

##### (3) Alien resident of the United States or Puerto Rico

In the case of an alien resident of the United States and in the case of an alien individual who is a bona fide resident of Puerto Rico during the entire taxable year, the amount of any such taxes paid or accrued during the taxable year to any foreign country; and

##### (4) Nonresident alien individuals and foreign corporations

In the case of any nonresident alien individual not described in section 876 and in the case of any foreign corporation, the amount determined pursuant to section 906; and

##### (5) Partnerships and estates

In the case of any person described in paragraph (1), (2), (3), or (4), who is a member of a partnership or a beneficiary of an estate or trust, the amount of his proportionate share of the taxes (described in such paragraph) of the partnership or the estate or trust paid or accrued during the taxable year to a foreign country or to any possession of the United States, as the case may be. Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust income.

##### (c) Similar credit required for certain alien residents

Whenever the President finds that—

(1) a foreign country, in imposing income, war profits, and excess profits taxes, does not allow to citizens of the United States residing in such foreign country a credit for any such taxes paid or accrued to the United States or any foreign country, as the case may be, similar to the credit allowed under subsection (b)(3),

(2) such foreign country, when requested by the United States to do so, has not acted to provide such a similar credit to citizens of the United States residing in such foreign country, and

(3) it is in the public interest to allow the credit under subsection (b)(3) to citizens or subjects of such foreign country only if it allows such a similar credit to citizens of the United States residing in such foreign country,

the President shall proclaim that, for taxable years beginning while the proclamation remains in effect, the credit under subsection (b)(3) shall be allowed to citizens or subjects of such foreign country only if such foreign country, in imposing income, war profits, and excess profits taxes, allows to citizens of the United States residing in such foreign country such a similar credit.