(Rev. October 2000)

For calendar year 20

Possessions Corporation Tax Credit (Under Sections 936 and 30A)

► See separate instructions.

, 20

, and ending

OMB No. 1545-0217

, 20

Department of the Treasury Internal Revenue Service

► Attach to the corporation's tax return.

, or other tax year beginning

Name						Employer identification number		
Par	t I Gross Ir	ncome in Applic	cable Period (Se	ee instructions.)				
Tax year (Use a separate line for each tax year ending with or within your applicable period. Start with the earliest such tax year.)		(c) Name of U.S. possession in which trade or business was actively conducted			Periods in which trade or business was actively conducted in a U.S. possession (Dates are inclusive)			
(a) (b) Beginning Ending					(d) From		(e) To	
Gross income during periods shown in columns (d) and (e) Gross income from the active conduct of a trade or business in a U.S. possession (i) All other gross income								
GIOSS	(f)			(h) Gross qualified possession source		All other gross income (k)		(1)
F	rom sources in U.S. possessions	From all other sources outside the U.S.	From sources in the U.S.	investment income (QPSII) (see instructions)	(j) From sources in U.S. possessions	From all other so outside the U		From sources in the U.S.
S								
Totals								
1	Total gross inco	me in applicable p	period (add totals	of columns (f) thro	ough (I))		1	
2				ossessions (add tota		9	2	
3	•		•	The possessions			3	
4				e or business in	•	on (total of	4	
5	columns (f), (g),			The possessions	tax credit is not	allowed	<u>4</u> 5	
	Tavablo			rces (See instru		anowou .		<u> </u>
Par	When co	ompleting Part II	, do not take int	o account any c	leduction for po	_	come	
6	Qualified gross i	income in current	year:			A Active Busines	SS	B Gross QPSII (see instructions)
а	From sources of U.S. possession	From sources outside the U.S. from the active conduct of a trade or business in a U.S. possession						
b		rom sources outside the U.S. from the sale or exchange of substantially all assets sed in a possessions trade or business						
С		iness income. Add					,,,,,,,	
d	Enter gross qua	lified possession s	source investment	income				
7a	Amounts received in the U.S							
b				n 936(h)(2))				
С	-							
е				} · · · · ·				
	Subtract line /d	, column B from li	ine 6a, column B.	J				
8	Applicable deductions							
	• •				[
b								
С	Ratable part of	other deductions i	not definitely alloc	able				
d	Add lines 8a, 8b	o, and 8c						
9	Qualified taxable	e income before a	diustments. Subtr	act line 8d from li	ne 7e .			
-			,					l .

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Par	t II Taxable Income From Possession Sources (continued)	-	
10	Adjustes anto	A Active Business	Gross QPSII
10	Adjustments Current year lesses from pengualified sources	Income	(see instructions)
a b	Current year losses from nonqualified sources		
C	Income against which foreign tax credit is claimed		
d	Add lines 10a through 10c		
11	Qualified taxable income. Subtract line 10d from line 9. Caution: If the corporation uses the percentage limitation (Part III, below), see instructions before entering an		
12	Total taxable income from all sources (enter taxable income from the corporation's tax return)		
13 14 15	For each column, divide line 11 by line 12. Enter result as a decimal Total U.S. income tax against which possessions credit is allowed For each column, multiply line 14 by line 13		
Par	t III Possessions Credit Using the Percentage Limitation Method (See i	nstructions.)	
	e corporation elects to claim a reduced credit under section 936(a)(4)(B), check here a p Part V, line 28		
16	Multiply line 15, column A, by 40%		
17	Possessions credit. Add line 15, column B, and line 16. Enter here and on Fo Schedule J, line 6b, or the appropriate line of other returns	orm 1120,	
Par	T IV Possessions Credit Using the Economic-Activity Limitation Method		ns.)
18	Enter 60% of qualified compensation	40	
19	Enter applicable portion of depreciation deductions		
20	Add lines 18 and 19	20	
21	Subtract line 20 from line 15, Column A	21	
22	Divide line 21 by line 14. Enter the result as a decimal	V/////	
20 o	e: If the corporation used the profit split method, skip lines 23 and 24. Enter the amour in line 25. Complete the rest of Part IV and go to Part V, line 32. If the corporation did in t split method, complete lines 23 through 27; skip Part V and go to Part VI.		
23	Enter possession income taxes (but not more than 9% of taxable income)	23	
24	Possession taxes allocable to nonsheltered income. Multiply line 23 by line 22	24	
25	Add lines 20 and 24		
26	Economic-activity limitation. Enter the smaller of line 15, column A, or line 25		
27	Possessions credit. Add line 15, column B, and line 26. Enter the result here and on F Schedule J, line 6b, or the appropriate line of other returns		
Par	t V Deduction For Possession Income Taxes (See instructions.)	21	
Note	e: Complete Part V only if the corporation is electing the percentage limitation (reduced corporation is using the economic-activity limitation and the profit split method.	credit), or	
Corp	porations Using Percentage Limitation (Reduced Credit)		
28	Subtract line 16 from line 15, Column A		
29	Divide line 28 by line 14. Enter the result as a decimal	00	
30	Enter possession income taxes		
31	Deduction for possession income taxes. Multiply line 30 by line 29. Include the result 1120, page 1, line 17, or the applicable line of other returns	31	
Corp	porations Using the Economic-Activity Limitation and the Profit Split Method		
32	Enter possession income taxes	32	
33	Deduction for possession income taxes. Multiply line 32 by line 22. Include the result 1120, page 1, line 17, or the applicable line of other returns	t on Form 33	
Par	t VI Summary From Schedule P (Form 5735) (See instructions.)	V/////	<u>a</u>
34	Enter the total sales of possession products to which each income method applies:		
a	Cost sharing method		
b	Profit split method		
35	Enter the total sales of possession products that qualify under each business present	250	1
a b	Direct labor test		
C	Alternative test		
d	Start-up test		
	None of the above	35e	