

completed, as described in [Additional Filing Requirements](#), earlier.

**Line 2i.** Enter the net amount of any additional adjustments not included on lines 2a through 2h. List these additional adjustments on a separate statement. Attach this statement to Form 5471. Schedule H is only prepared for the general, passive, and section 901(j) categories of income. For example, if U.S. GAAP income reported on Schedule C contains items related to PTEP, include the necessary adjustments on line 2i of Schedule H for the appropriate category of income (general or passive) and attach a statement that itemizes and explains those adjustments. Report adjustments for foreign taxes related to the PTEP on line 2g. This adjustment is necessary because foreign taxes imposed on PTEP distributions do not reduce current year E&P. Foreign taxes imposed on PTEP distributions reduce PTEP and are reported on Schedule J, line 6.

**Example.** Domestic Corporation, a U.S. shareholder, wholly owns the only class of stock of CFC1, a foreign corporation. CFC1, in turn, wholly owns the only class of stock of CFC2, a foreign corporation. During Year 1, Domestic Corporation reports an inclusion under section 951(a)(1) of \$100 as a result of subpart F income of CFC2. During Year 2, CFC2 distributes \$40 to CFC1. CFC1 pays withholding tax of \$4 on the distribution from CFC2. Such tax is related to previously taxed subpart F income. On Domestic Corporation's financial statements, Domestic Corporation reports the \$4 withholding tax as current income tax expense. Domestic Corporation reports on CFC1's Form 5471, Schedule H, on line 2g, a positive adjustment for the \$4 of tax on the PTEP distribution.

**Line 5b.** DASTM gain or (loss), reflecting unrealized exchange gain or loss, should be entered on line 5b only for foreign corporations that use DASTM.

**Line 5c.** The line 5c current year E&P amount may include amounts with respect to the general category, passive category, or section 901(j) category. See Regulations section 1.960-1(d)(2). Enter on lines 5c(i), 5c(ii), 5c(iii)(A), 5c(iii)(B), 5c(iii)(C), and 5c(iii)(D), as applicable, the portion of the line 5c current year E&P amount with respect to each applicable category of income. If applicable for lines 5c(iii)(A), 5c(iii)(B), 5c(iii)(C), and 5c(iii)(D), also enter the country code for the sanctioned country using the two-letter codes (from the list at [IRS.gov/CountryCodes](#)).

**Note.** The amounts reported on line 5c include both foreign source and U.S. source income.

**Line 5d.** Enter the line 5c functional currency amount translated into U.S. dollars at the average exchange rate for the foreign corporation's tax year. See section 989(b). Report the exchange rate using the "divide-by convention" specified under [Reporting Exchange Rates on Form 5471](#), earlier. If the foreign corporation uses DASTM, enter on line 5d the same amount entered on line 5c.

**Line 5e.** Enter the exchange rate used in computing line 5d. Report the exchange rate using the "divide-by convention" specified under [Reporting Exchange Rates on Form 5471](#).

**Blocked income.** The E&P of the foreign corporation, as reflected on Schedule H, must not be reduced by all or any part of such E&P that could not have been distributed by the foreign corporation due to currency or other restrictions or limitations imposed under the laws of any foreign country.

## Schedule I-1

This schedule is used to report information determined at the CFC level with respect to amounts used in the determination of income inclusions by U.S. shareholders under section 951A. The information in this schedule will be used by the U.S. shareholder(s) of the CFC to file Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), and may assist in the completion of Form 1118, or Form 1116, if applicable.

Enter the amounts on lines 1 through 10c in the CFC's functional currency. The functional currency amounts entered on lines 6 through 10c must be converted to U.S. dollars.

Certain filers may be able to use alternative information (as defined in section 3.01 of Rev. Proc. 2019-40) to determine certain amounts in this schedule. See specific instructions for [Item F—Alternative Information Under Rev. Proc. 2019-40](#), earlier, for more details.

**Name of person filing Form 5471.** The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

**Separate category.** Schedule I-1 is now completed once. (It is no longer completed separately for each applicable category of income.) Therefore, Schedule I-1 is completed once (for general category income, passive category income, or both). A Schedule I-1 that includes passive category income on

line 6 must include the code for passive category income (PAS) in the entry space for separate category (at the top of Schedule I-1). This is the case even if the Schedule I-1 also includes general category income. With respect to a taxpayer completing Schedule I-1 with respect to a foreign corporation with only general category income (and no passive category income) on line 6, the taxpayer should enter the code "GEN" in the entry space for separate category.

**Note.** The other reporting requirements of a taxpayer that includes passive category income with general category income in a Schedule I-1 do not change because the taxpayer includes passive category income with general category income in a Schedule I-1. For example, the taxpayer may still be required to complete a Form 1116 or a Form 1118, and/or a Form 5471 (including Schedule J and Schedule P), and separately report passive category income and section 951A category income.

**Line 1.** Enter the CFC's gross income. The amount of gross income entered on line 1 will generally be a positive amount. However, if a CFC's cost of goods sold exceeds its gross receipts, a negative amount is permitted on line 1.

**Line 2.** Enter the CFC's exclusions as described in Regulations section 1.951A-2(c).

**Line 2a.** Enter the amount of the CFC's income or loss described in section 952(b), which is generally income or loss from sources within the United States that is effectively connected to the conduct of a trade or business by the CFC in the United States and not reduced or exempt from tax pursuant to an income tax treaty with the United States.

**Line 2b.** Enter the amount, if any, of the CFC's gross income or loss taken into account in determining the CFC's subpart F income (as defined in section 952). Note that an amount determined under section 956(a) is not considered subpart F income. The amount to be entered is computed after application of the high-tax exception in section 954(b)(4), but before application of the E&P limitation in section 952(c)(1)(A).

**Line 2c.** Enter the amount, if any, of the CFC's gross income excluded from foreign base company income (as defined in section 954) and insurance income (as defined in section 953) by reason of section 954(b)(4), the high-tax exception (include amounts excluded from tested income under Regulations section 1.951A-2(c)(7)).

**Line 2d.** Enter the amount of any dividend income received by the CFC

from a related person as defined in section 954(d)(3). Do not include the amounts of any dividend income received from a related person that are already included in the amounts entered on line 2b or line 2c.

**Line 2e.** Enter the amount of the CFC's taxable income or loss from sources outside the United States and its possessions from the following.

- The extraction (by the corporation or any other person) of minerals from oil or gas wells located outside the United States and its possessions.
- The sale or exchange of assets used (by the corporation) in the trade or business of extracting minerals from oil or gas wells located outside the United States and its possessions.

**Line 3.** Combine lines 2a through 2e. The line 3 result can be positive or negative.

**Line 4.** Subtract line 3 from line 1 and enter the result on line 4. The line 4 result can be positive or negative. For example:

Line 1 gross income	\$1,000	\$1,000	\$(1,000)	\$(1,000)
Line 3 total exclusions	800	(800)	800	(800)
Line 4 (line 1 minus line 3)	\$200	\$1,800	\$(1,800)	\$(200)

**Line 5.** Enter the deductions (including taxes) properly allocable to the amount on line 4 (or to which such deductions would be allocable if there were such gross income). See section 951A(c)(2)(A)(ii) and Regulations section 1.951A-2(c)(3).

**Line 6.** Subtract line 5 from line 4 and enter the result on line 6. The line 6 result can be positive or negative. See the line 4 instructions above for examples. This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See Regulations section 1.951A-1(d)(1).

Report the exchange rate using the "divide-by convention" specified under [Reporting exchange rates on Form 5471](#), earlier.

**Line 7.** If the CFC has a tested loss on line 6, enter zero. If the CFC has tested income on line 6, enter only those foreign income taxes that are properly attributable to the CFC's tested income group. This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See section 986.

**Line 8.** If the CFC has a tested loss on line 6, enter zero. If the CFC has tested income on line 6, enter the Qualified Business Asset Investment (QBAI)

(defined below). This amount must be converted from functional currency to U.S. dollars using the average exchange rate for the year of the CFC. See Regulations section 1.951A-1(d)(1).

**Qualified business asset investment (QBAI).** QBAI is the average of the CFC's aggregate adjusted bases, as of the close of each quarter of its taxable year, in specified tangible property used in its trade or business in the production of tested income, and for which a deduction is allowable under section 167. Adjusted basis in any property must be determined by using the alternative depreciation system under section 168(g) and allocating depreciation deductions with respect to such property ratably to each day during the period in the taxable year to which such depreciation relates.

**Specified tangible property and dual-use property.** Specified tangible property means any tangible property used in the production of tested income. If such property was used in the production of tested income and income that is not tested income (that is, dual-use property), the property is treated as specified tangible property in the same proportion that the amount of tested income determined before allocable deductions (that is, line 4) produced with respect to the property bears to the total amount of gross income produced with respect to the property.

**Partnership property.** A CFC with tested income that is a partner of a partnership that has depreciable tangible property determines its share of the partnership's average adjusted basis in the depreciable tangible property of the partnership based on the amount of the distributive share of the gross income produced by the property that is included in the CFC's gross tested income (defined below) relative to the total amount of gross income produced by the property. The partnership's average adjusted basis in the depreciable tangible property of the partnership is generally determined based on the average of the adjusted basis in the property as of the close of each quarter of the partnership's tax year that ends with or within the CFC's tax year. See Regulations section 1.951A-3(g).

**Gross tested income.** For these purposes, a CFC's gross tested income is its gross income less total exclusions (Schedule I-1, line 4).

**Lines 9a through 9d.** In general, see Regulations section 1.951A-4(b)(1) to determine how to compute the CFC's tested interest expense.

**Line 9a.** Enter the amount of interest expense included on line 5. See the

instructions for [Line 6](#) for foreign currency translation.

**Line 9b.** Enter the CFC's qualified interest expense, as defined in Regulations section 1.951A-4(b)(1)(iii).

**Line 9c.** Enter the CFC's tested loss QBAI amount, as defined in Regulations section 1.951A-4(b)(1)(iv).

**Line 9d.** Subtract the sum of line 9b and line 9c from line 9a and enter the result on line 9d.

**Lines 10a through 10c.** In general, see Regulations section 1.951A-4(b)(2) to determine how to compute the CFC's tested interest income.

**Line 10a.** Enter the amount of interest income included on line 4. See the instructions for [Line 6](#) for foreign currency translation.

**Line 10b.** Enter the CFC's qualified interest income, as defined in Regulations section 1.951A-4(b)(2)(iii).

**Line 10c.** Subtract line 10b from line 10a and enter the result on line 10c.

## Schedule J

Use Schedule J to report a CFC's accumulated E&P in its functional currency, computed under sections 964(a) and 986(b). Also use this schedule to report the E&P of specified foreign corporations that are only treated as CFCs for limited purposes under section 965(e)(2).

**Note.** Category 1b, 1c, 5b, and 5c filers are not required to file Schedule J for foreign-controlled section 965 SFCs or foreign-controlled CFCs.

**Name of person filing Form 5471.** The name of the person filing Form 5471 is generally the name of the U.S. person described in the applicable category or categories of filers (see [Categories of Filers](#), earlier). However, in the case of a consolidated return, enter the name of the U.S. parent in the field for "Name of person filing Form 5471."

**Reference ID number of foreign corporation.** If applicable, use the reference ID number shown on Form 5471, page 1, Item 1b(2).

**Lines a and b.** Complete a separate Schedule J for each applicable separate category of income. Enter the appropriate code on line a (at the top of page 1 of Schedule J). To determine the appropriate code, see [Categories of Income](#) in the Instructions for Form 1118. A foreign corporation may need to report E&P with respect to all categories of income listed in the Instructions for Form 1118, except foreign branch category income. A foreign