

Global Intangible Low-Taxed Income, Tax Year 2021

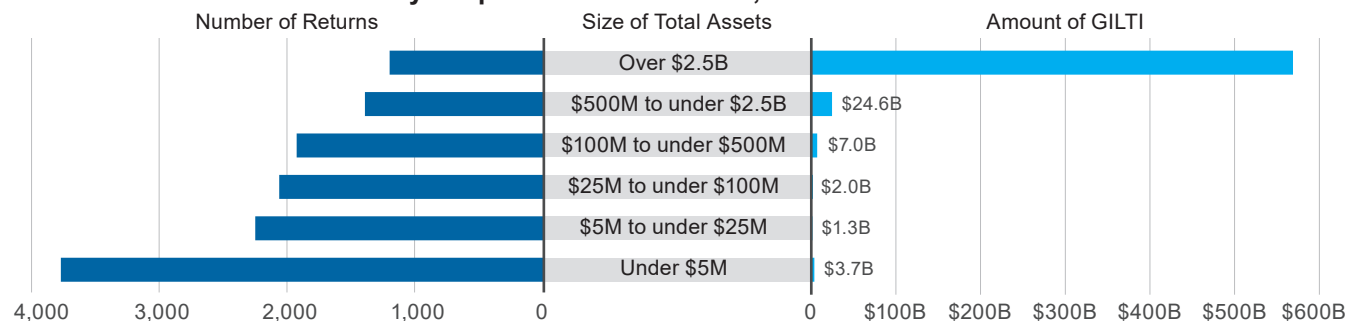


U.S. corporations use Form 8992, U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI), to calculate the amount of GILTI inclusion and report related information. GILTI is a type of income earned abroad by U.S. shareholders of Controlled Foreign Corporations (CFCs) and is subject to special treatment under the U.S. tax code. Congress created GILTI under Public Law 115-97 (Tax Cuts and Jobs Act (TCJA) of 2017) to prevent the erosion of the U.S. tax base by deterring U.S. multinational corporations from transferring their profits on intangible assets, such as intellectual property, to low-tax foreign jurisdictions. A U.S. shareholder must consider its pro rata share of the tested income or tested loss of the CFC(s) in determining the shareholder's GILTI inclusion, if any, under section 951A. The final GILTI amount determined by the Form 8992 calculation is included in the taxpayer's gross income and can potentially be offset by a deduction (See Section 250 Deduction). The IRS Statistics of Income Division (SOI) produced a sample-based collection of aggregate statistics for corporation income tax returns with a Form 8992 that were included in the tax year 2021 SOI sample of corporation returns with accounting periods ending between July 2021 and June 2022.

Highlights of the Data

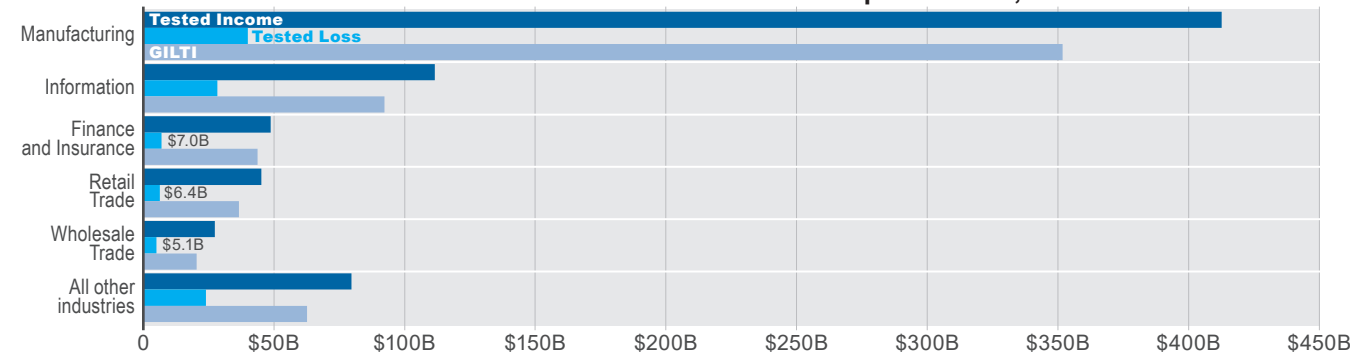
- The total amount of GILTI reported was \$607 billion for tax year 2021.
- Parent corporations reported total tested income of \$725 billion and total tested losses of \$111 billion.
- Parent corporations with over \$2.5 billion of assets accounted for 9.5% of returns and 96% of assets, 94% of GILTI, and the greatest net tested income at \$589 billion.
- The asset class of \$1 million-to-under-\$5 million had the largest share of returns and accounted for 0.01% of assets and had the largest net tested loss at \$1.5 billion.
- 4% of returns had zero assets, the lowest of any asset class.
- Manufacturing had the most parent corporations and CFCs of any industry and reported GILTI of \$351 billion, more than 57% of total GILTI.
- The Arts, Entertainment, and Recreation industry reported the greatest net CFC tested loss at over \$236 million.

Number of Returns and GILTI by Corporation Total Assets, Tax Year 2021



NOTE: Asset classes have been condensed for figure. See Table 1 for expanded classes.

GILTI and Pro Rata Shares of Tested Income and Tested Loss for Top Industries, Tax Year 2021



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