

Tax on Base Erosion Payments of Taxpayers With Substantial Gross Receipts

For tax year beginning _____, 20____, and ending _____, 20____

Go to www.irs.gov/Form8991 for instructions and the latest information.

See instructions.

Name	Employer identification number (EIN)
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Part I Applicable Taxpayer Determination

Check box if this form is being filed by a taxpayer with which another taxpayer has been aggregated under Regulations section 1.59A-2(c)

If the above box is checked, attach a statement listing the names and EINs of all separate taxpayers taken into account in the determination of "1 person" under Regulations section 1.59A-2(c).

	(a) First Preceding Tax Year	(b) Second Preceding Tax Year	(c) Third Preceding Tax Year
1a Gross receipts of the taxpayer (see instructions)			
b Gross receipts from partnerships			
c Gross receipts of all other persons treated as 1 person pursuant to Regulations section 1.59A-2(c)			
d Gross receipts. Combine lines 1a through 1c			
e Gross receipts of first, second, and third preceding tax years. Combine columns (a), (b), and (c) of line 1d			1e
f 3-year average annual gross receipts (see instructions)			1f
g Is line 1f \$500 million or more? <input type="checkbox"/> Yes. Continue to line 2. <input type="checkbox"/> No. STOP here and attach this form to your tax return.			
2a Base erosion tax benefit (from Schedule A, line 15, column (a-2))			2a
b Amount of deductions allowed under chapter 1 of the Internal Revenue Code			2b
c Base erosion tax benefits resulting from reductions in insurance premiums reported on Schedule A, line 8, column (a-2)	2c		
d Base erosion tax benefits resulting from reductions in gross receipts reported on Schedule A, line 10, column (a-2)	2d		
e Add lines 2c and 2d			2e
f Total deductions for amounts paid or accrued for services to which the exception under Regulations section 1.59A-3(b)(3)(i) applies (from Schedule A, line 5b)	2f		
g Qualified derivative payments excepted by Regulations section 1.59A-6(b)	2g		
h Total deductions allowed under sections 172, 245A, and 250 for the tax year	2h		
i Does the taxpayer elect to waive deductions in accordance with Regulations section 1.59A-3(c)(6)(i)? <input type="checkbox"/> Yes. Complete Schedule B. Enter the amount from line 15 of Schedule B. <input type="checkbox"/> No. Enter -0-.	2i		
j Deductions for exchange losses from section 988 transactions described in Regulations section 1.59A-2(e)(3)(ii)(D)	2j		
k Deductions for TLAC securities and foreign TLAC securities described in Regulations section 1.59A-2(e)(3)(ii)(E)	2k		
l Reinsurance losses incurred and claims payments described in Regulations section 1.59A-2(e)(3)(ii)(F)	2l		
m Combine lines 2f through 2l			2m
n Total deductions. Subtract line 2m from the sum of line 2b and line 2e			2n
o Base erosion percentage. Divide line 2a by line 2n			2o %
p Is the taxpayer's base erosion percentage on line 2o 3% or higher (2% or higher for a bank or securities dealer)? <input type="checkbox"/> Yes. Continue to Part II. <input type="checkbox"/> No. STOP after completing Part I, Part V, and Schedule A (and, if necessary, Schedule B), and attach this form to your tax return.			

Part II Modified Taxable Income (MTI)	
3a Taxable income after net operating loss (see instructions)	3a
b Base erosion tax benefits for the tax year from Schedule A, line 15, column (b-2)	3b
c Base erosion percentage of the net operating loss deduction allowed under section 172 for the tax year (see instructions)	3c
d MTI (see instructions)	3d

Part III Regular Tax Liability Adjusted for Purposes of Computing Base Erosion Minimum Tax Amount	
4a Regular tax liability	4a
b Allowed credits, as adjusted (from Schedule C, line 7)	4b
c Regular tax liability adjusted for purposes of computing base erosion minimum tax amount. Subtract line 4b from line 4a	4c

Part IV Computation of Base Erosion Minimum Tax Amount	
5a MTI (from line 3d)	5a
b BEAT Tax rate applicable for current tax year	5b %
c Base erosion minimum tax. Multiply line 5a by line 5b	5c
d Regular tax liability adjusted for purposes of computing base erosion minimum tax amount (from line 4c)	5d
e Base erosion minimum tax amount. Subtract line 5d from line 5c. If zero or less, enter -0-	5e

Part V Additional Questions (see instructions)

6 Does the taxpayer elect to use financial statements per Regulations section 1.59A-3(b)(4)(i)(D) for purposes of calculating interest expense allocable to a foreign corporation’s effectively connected income? . . . Yes No

7 In the current year, did the taxpayer capitalize to inventory, or include in cost of goods sold (COGS), costs for any payment to a related foreign party that the taxpayer treated as a deduction in any prior tax year? . Yes No

8 If “Yes” for line 7, enter the following:

	(i) Amount Capitalized or Included in COGS	(ii) Description of Item	(iii) Line Item Reported on in Prior Year	(iv) Tax Year Form 3115 Was Filed
a				
b				
c				

Schedule A Base Erosion Payments and Base Erosion Tax Benefits (see instructions)

Type of Base Erosion Payments	(Check all applicable boxes in columns (c), (d), and (e) below)						
	(a-1)	(a-2)	(b-1)	(b-2)	(c)	(d)	(e)
	Aggregate Group's Base Erosion Payments	Aggregate Group's Base Erosion Tax Benefits	Taxpayer's Base Erosion Payments	Taxpayer's Base Erosion Tax Benefits	Any 25% Owner of the Taxpayer	Person Related Under Section 267(b) or 707(b)(1) to the Taxpayer or Any 25% Owner of the Taxpayer	Any Person Related Within the Meaning of Section 482 to the Taxpayer
1 Reserved for future use							
2 Cost sharing transaction payments as defined in Regulations section 1.482-7(b)(1)(i)							
3 Purchase or creations of property rights for intangibles (patents, trademarks, etc.)							
4 Rents, royalties, and license fees							
5a Compensation/consideration paid for services NOT excepted by Regulations section 1.59A-3(b)(3)(i)							
b Compensation/consideration paid for services excepted by Regulations section 1.59A-3(b)(3)(i) \$ _____							
6 Interest expense							
7 Payments for the purchase of tangible personal property							
8 Premiums and/or other considerations paid or accrued for insurance and reinsurance as covered by Regulations section 1.59A-3(b)(1)(iii)							

Schedule A **Base Erosion Payments and Base Erosion Tax Benefits** (see instructions) *(continued from page 3)*

Type of Base Erosion Payments	(Check all applicable boxes in columns (c), (d), and (e) below)						
	(a-1)	(a-2)	(b-1)	(b-2)	(c)	(d)	(e)
	Aggregate Group's Base Erosion Payments	Aggregate Group's Base Erosion Tax Benefits	Taxpayer's Base Erosion Payments	Taxpayer's Base Erosion Tax Benefits	Any 25% Owner of the Taxpayer	Person Related Under Section 267(b) or 707(b)(1) to the Taxpayer or Any 25% Owner of the Taxpayer	Any Person Related Within the Meaning of Section 482 to the Taxpayer
9a Nonqualified derivative payments							
b Qualified derivative payments excepted by Regulations section 1.59A-6(b) \$ _____							
10 Payments reducing gross receipts made to surrogate foreign corporation							
11 Other payments—specify							
12 Combine lines 2 through 11							
13 Base erosion tax benefits related to payments reported on lines 2 through 11, on which tax is imposed by section 871, 881, or 884(f), with respect to which tax has been withheld under section 1441 or 1442 at 30% statutory withholding tax rate or subject to tax under Regulations section 1.884-4(a)(2)(ii) at a 30% statutory rate (see instructions)							
14 Portion of base erosion tax benefits reported on lines 2 through 11, on which tax is imposed by section 871 or 881, with respect to which tax has been withheld under section 1441 or 1442 at reduced withholding rate pursuant to income tax treaty or subject to a reduced rate of tax under Regulations section 1.884-4(a)(2)(ii). Multiply the amount of the base erosion tax benefit by a fraction equal to the rate of tax imposed under the treaty over the 30% (0.30) statutory rate. See instructions.							
15 Total base erosion tax benefits. Subtract the sum of line 13 and line 14 from line 12. Enter the amount from column (a-2) on Part I, line 2a. Enter the amount from column (b-2) on Part II, line 3b							

Schedule B Waiver of Deductions (see instructions)

	(a) Description of item or property to which the deduction relates	(b) Date on which, or period in which, the waived deduction was paid or accrued	(c) Provision of Code and regulations, as applicable, that allows the deduction for which this election relates	(d) Line number on the controlled group member tax return where the deduction is reported	(e) Name of foreign related party that is or will be the recipient of the payment that generates the deduction	(f) Taxpayer identification number of foreign related party	(g) Country of organization of the foreign related party	(h) Amount of deduction claimed for the tax year with respect to the item or property	(i) Amount of deduction being waived for the tax year with respect to the item or property
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14	Totals from attachment, if necessary								
15	Total deductions waived per Regulations section 1.59A-3(c)(6)(i). Add the amounts in column (i). Enter the result here and on Part I, line 2i								

Schedule C Credits Reducing Regular Tax Liability in Computing Base Erosion Minimum Tax Amount (BEMTA)

Part I Credits Allowed Against Regular Tax (see instructions)

1	Total credits allowed in current year (see instructions)		1	
2	Credits for increasing research activities from Form 3800 (see instructions)	2		
3	Total allowed credit for increasing research activities for current year. Enter the amount of research credit reported on Form 3800, Part II, line 38. See instructions		3	
4	Enter smaller of Schedule C, Part II, line 11; or Part III, line 16		4	
5	Limitation of applicable section 38 credits. Multiply line 4 by 80% (0.80)		5	
6	Adjustments to allowed credits. Add lines 3 and 5		6	
7	Credits allowed against regular tax in computing BEMTA. Subtract line 6 from line 1. Enter here and on Form 8991, line 4b		7	

Part II Applicable Section 38 Credits

(Only complete Parts II and III if you have allowed applicable section 38 credits.)

8	Low-income housing credit from Form 3800 (see instructions)	8		
9	Renewable electricity production credit from Form 3800 (see instructions)	9		
10	Investment credit but only to extent of energy credit property under section 48 from Form 3800 (see instructions)	10		
11	Total allowed applicable section 38 credits for current year. Enter the amount of applicable credits reported on Form 3800, Part II, line 38. See instructions.		11	

Part III BEMTA Determined Without Adjustment for Applicable Section 38 Credits

12	Base erosion minimum tax (Form 8991, line 5c)	12	
13	Regular tax liability (Form 8991, line 4a)	13	
14	Subtract Schedule C, Part I, line 3, from line 1	14	
15	Regular tax adjusted for credits that offset BEMTA. Subtract line 14 from line 13	15	
16	Base erosion minimum tax determined without adjustment for applicable section 38 credits. Subtract line 15 from line 12; if zero or less, enter -0-	16	