

# 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](http://www.irs.gov/Form8991) for instructions and the latest information.

▶ See instructions.

Name _____	Employer identification number _____
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**Part I Applicable Taxpayer**

Check box if this form is being filed by a taxpayer with which another taxpayer has been aggregated under section 59A(e)(3) .    
 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 section 59A(e)(3).

	(a) First Preceding Tax Year	(b) Second Preceding Tax Year		(c) Third Preceding Tax Year
<b>1a</b> Gross receipts of the applicable taxpayer. See instructions . . . . .				
<b>b</b> Gross receipts from partnerships . . . . .				
<b>c</b> Gross receipts of all other persons treated as 1 person as the "applicable taxpayer" pursuant to section 59A(e)(3) . . . . .				
<b>d</b> Gross receipts. Combine lines 1a through 1c . . . . .				
<b>e</b> Gross receipts of first, second, and third preceding tax years. Combine columns (a), (b), and (c) of line 1d . . . . .			<b>1e</b>	
<b>f</b> 3-year average annual gross receipts (Divide line 1e by 3.0) . . . . .			<b>1f</b>	
<b>g</b> 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.				
<b>2a</b> Aggregate base erosion tax benefit (from Schedule A, line 14). . . . .			<b>2a</b>	
<b>b</b> Aggregate amount of deductions allowable under Chapter 1 of the Internal Revenue Code . . . . .			<b>2b</b>	
<b>c</b> Other allowable deductions not included in line 2b above . . . . .	<b>2c</b>			
<b>d</b> Base erosion tax benefits resulting from reductions in insurance premiums reported on Schedule A, line 8, column a-2 . . . . .	<b>2d</b>			
<b>e</b> Base erosion tax benefits resulting from reductions in gross receipts reported on Schedule A, line 10, column a-2 . . . . .	<b>2e</b>			
<b>f</b> Add lines 2c through 2e . . . . .			<b>2f</b>	
<b>g</b> Total deductions for amounts paid or accrued for services to which the exception under section 59A(d)(5) applies (from Schedule A, line 5b) . . . . .	<b>2g</b>			
<b>h</b> Qualified derivative payments excepted by section 59A(h) . . . . .	<b>2h</b>			
<b>i</b> Total deductions allowed under sections 172, 245A, and 250 for the tax year. . . . .	<b>2i</b>			
<b>j</b> Combine lines 2g through 2i . . . . .			<b>2j</b>	
<b>k Total Deductions.</b> Subtract line 2j from the sum of line 2b and line 2f . . . . .			<b>2k</b>	
<b>l Base Erosion Percentage for purposes of section 59A(c)(4)(A).</b> Divide line 2a by line 2k . . . . .			<b>2l</b>	%
<b>m</b> Is the taxpayer's base erosion percentage on line 2l 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 and Schedule A and attach this form to your tax return.				

<b>Part II Modified Taxable Income (MTI)</b>		
<b>3a</b>	Taxable income after net operating loss and special deductions . . . . .	<b>3a</b>
<b>b</b>	Base erosion tax benefits for the tax year with respect to base erosion payments . . . . .	<b>3b</b>
<b>c</b>	Base erosion percentage of the net operating loss deduction allowed under section 172 for the tax year. See instructions . . . . .	<b>3c</b>
<b>d</b>	<b>Modified Taxable Income.</b> See instructions . . . . .	<b>3d</b>
<b>Part III Regular Tax Liability Adjusted for Purposes of Computing Base Erosion Minimum Tax Amount</b>		
<b>4a</b>	Regular tax liability . . . . .	<b>4a</b>
<b>b</b>	Allowable credits, as adjusted (from Schedule B, line 7) . . . . .	<b>4b</b>
<b>c</b>	<b>Regular tax liability adjusted</b> for purposes of computing Base Erosion Minimum Tax Amount. Subtract line 4b from line 4a . . . . .	<b>4c</b>
<b>Part IV Computation of Base Erosion Minimum Tax Amount</b>		
<b>5a</b>	Modified Taxable Income (from line 3d) . . . . .	<b>5a</b>
<b>b</b>	Tax rate applicable for current tax year . . . . .	<b>5b</b> %
<b>c</b>	Base Erosion Minimum Tax. Multiply line 5a by line 5b . . . . .	<b>5c</b>
<b>d</b>	Regular tax liability adjusted for purposes of computing Base Erosion Minimum Tax Amount (from line 4c) . . . . .	<b>5d</b>
<b>e</b>	<b>Base Erosion Minimum Tax Amount.</b> Subtract line 5d from line 5c. If zero or less, enter "-0-". . . . .	<b>5e</b>

**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 Base Erosion Payment for Purposes of Base Erosion Percentage	Aggregate Base Erosion Tax Benefit for Purposes of Base Erosion Percentage	Base Erosion Payment for Purposes of Modified Taxable Income	Base Erosion Tax Benefit for Purposes of Modified Taxable Income	Any 25% Owner of the Taxpayer	Person Related Under Sections 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
<b>1</b> Reserved for future use . . . . .							
<b>2</b> Reserved for future use . . . . .							
<b>3</b> Purchase or creations of property rights for intangibles (patents, trademarks, etc.) . . . . .							
<b>4</b> Rents, royalties, and license fees . . . . .							
<b>5a</b> Compensation/consideration paid for services <b>NOT</b> excepted by section 59A(d)(5) . . . . .							
<b>b</b> Compensation/consideration paid for services excepted by section 59A(d)(5) . . . . . \$ _____							
<b>6</b> Interest expense . . . . .							
<b>7</b> Payments for the purchase of tangible personal property . . . . .							
<b>8</b> Premiums and/or other considerations paid or accrued for insurance and reinsurance as covered by section 59A(d)(3) and section 59A(c)(2)(A)(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 Base Erosion Payment for Purposes of Base Erosion Percentage	Aggregate Base Erosion Tax Benefit for Purposes of Base Erosion Percentage	Base Erosion Payment for Purposes of Modified Taxable Income	Base Erosion Tax Benefit for Purposes of Modified Taxable Income	Any 25% Owner of the Taxpayer	Person Related Under Sections 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
<b>9a</b> Nonqualified derivative payments . . . . .							
<b>b</b> Qualified derivative payments excepted by section 59A(h). . . . . \$ _____							
<b>10</b> Payments reducing gross receipts made to surrogate foreign corporation . . . . .							
<b>11</b> Other payments—specify . . . . .							
<b>12</b> Combine lines 3 through 11 . . . . .							
<b>13</b> Base erosion tax benefits related to payments reported on lines 3 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 30% statutory withholding tax rate . . . . .							
<b>14 Total</b> base erosion tax benefits for purposes of computing base erosion percentage. Subtract line 13, column (a-2) from line 12, column (a-2). Enter on Part I, line 2a . . . . .							
<b>15</b> Portion of base erosion tax benefits reported on lines 3 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. Multiply ratio of percentage withheld divided by 30% times tax benefit. See instructions . . . . .							
<b>16 Total</b> base erosion tax benefits for purposes of determining MTI. Subtract the sum of line 13, column (b-2); and line 15, column (b-2) from line 12, column (b-2). Enter this amount on Part II, line 3b . . . . .							

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

**Part I Credits Allowed Against Regular Tax** (see instructions)

<b>1</b>	Total credits allowed in current year. Enter the amount from Form 1120, Schedule J, Part I, line 6; or the applicable line of your return . . . . .		<b>1</b>	
<b>2</b>	Credits for increasing research activities from line 1c of all Parts III of Form 3800 . . . . .	<b>2</b>		
<b>3</b>	Total allowed credit for increasing research activities for current year. Enter the amount of research credit reported in Form 3800, Part II, line 38. See instructions . . . . .		<b>3</b>	
<b>4</b>	Enter smaller of Schedule B, Part II, line 11 or Part III, line 16 . . . . .		<b>4</b>	
<b>5</b>	Limitation of applicable section 38 credits. Multiply line 4 by 80% (0.80) . . . . .		<b>5</b>	
<b>6</b>	Adjustments to allowed credits. Add lines 3 and 5 . . . . .		<b>6</b>	
<b>7</b>	<b>Credits allowed against regular tax in computing BEMTA.</b> Subtract line 6 from line 1. Enter here and on Form 8991, line 4b . . . . .		<b>7</b>	

**Part II Applicable section 38 credits**

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

<b>8</b>	Low income housing credit from lines 1d and 4d of all Parts III of Form 3800 . . . . .	<b>8</b>		
<b>9</b>	Renewable electricity production credit but only to extent of the renewable electricity under section 45(a) from lines 1f and 4e of all Parts III of Form 3800 . . . . .	<b>9</b>		
<b>10</b>	Investment credit but only to extent of energy credit property under section 48 from line 4a of all Parts III of Form 3800 . . . . .	<b>10</b>		
<b>11</b>	Total allowed applicable section 38 credits for current year. Enter the amount of applicable credits reported in Form 3800, Part II, line 38. See instructions . . . . .		<b>11</b>	

**Part III BEMTA determined without adjustment for applicable section 38 credits**

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