Form **8873**		**Extraterritorial Income Exclusion**	OMB No. 1545-1722

Form **8873**
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Extraterritorial Income Exclusion

► **Attach to your tax return.**
► **See separate instructions.**

OMB No. 1545-1722

Attachment
Sequence No. **126**

Name(s) as shown on return	Identifying number

Part I Elections and Other Information

1 Check the box if you are electing under section 942(a)(3) to exclude a portion of your gross receipts from foreign trading gross receipts on line 15. Attach a schedule indicating which receipts are being excluded . . . . ► ☐

2 Check the box if you are electing to apply the extraterritorial income exclusion provisions to certain transactions involving a FSC (see instructions). Attach a schedule listing the affected transactions . . . . ► ☐

3 Check the box if the taxpayer is a foreign corporation electing to be treated as a domestic corporation (see instructions) . . . . . ► ☐

4a Are you excepted from the foreign economic process requirements because your foreign trading gross receipts are $5 million or less? . . . . ► ☐ Yes ☐ No

  b If "No," check the applicable box to indicate how you met the foreign economic process requirements:

    (1) ☐ You met the 50% foreign direct cost test (see instructions).

    (2) ☐ You met the alternative 85% foreign direct cost test (see instructions).

5 See instructions before completing lines 5a through 5c. **Note:** For transactions for which the exclusion is determined using the foreign sale and leasing income method (i.e., line 44 equals line 45), complete only lines 5a and 5c(1).

  a Business activity code _____ **b** Product or product line _____

  c Check the applicable box to indicate the basis of your reporting:

    (1) Transaction-by-transaction:

      (a) ☐ Aggregate on Form 8873 **(b)** ☐ Aggregate on tabular schedule **(c)** ☐ Tabular schedule of transactions

    (2) ☐ Group of transactions

Part II Foreign Trade Income and Foreign Sale and Leasing Income

Caution: If a related person is also eligible for an extraterritorial income exclusion, see **Excluded property** in the instructions.

		(a) Foreign Trade Income	(b) Foreign Sale and Leasing Income
6	Sale, exchange, or other disposition of qualifying foreign trade property	6	
7	Enter the amount from line 6, column (a), attributable to the sale of property formerly leased or rented for use by the lessee outside the United States	7	
8	Lease or rental of qualifying foreign trade property for use by the lessee outside the United States. Enter the same amount in both columns	8	
9	Services related and subsidiary to the sale, exchange, or other disposition of qualifying foreign trade property	9	
10	Enter the amount from line 9, column (a), attributable to the sale of property formerly leased or rented for use by the lessee outside the United States	10	
11	Services related and subsidiary to the lease of qualifying foreign trade property for use by the lessee outside the United States. Enter the same amount in both columns . . .	11	
12	Engineering or architectural services for construction projects outside the United States	12	
13	Managerial services provided to unrelated persons (see instructions)	13	
14	Enter the sum of the amounts from lines 6, 9, 12, and 13 of column (a) attributable to foreign economic processes. **Do not** include any amounts already included on lines 7, 8, 10, or 11 in column (b)	14	
15	**Foreign trading gross receipts.** Add lines 6 through 13 in column (a)	15	
16	Add lines 7 through 14 in column (b)	16	
17	**Cost of goods sold:**		
a	Inventory at beginning of year	17a	
b	Purchases	17b	
c	Cost of labor	17c	
d	Additional section 263A costs (attach schedule)	17d	
e	Other costs (attach schedule)	17e	
f	Total. Add lines 17a through 17e	17f	
g	Inventory at end of year	17g	
h	Subtract line 17g from line 17f	17h	
18	In column (a), subtract line 17h from line 15. In column (b), subtract line 17h from line 16	18	
19	Other expenses and deductions (see instructions) (attach schedule)	19	
20	**Foreign trade income.** In column (a), subtract line 19 from line 18. If -0- or less, stop here. You do not qualify for the exclusion	20	
21	**Foreign sale and leasing income.** In column (b), subtract line 19 from line 18	21	

For Paperwork Reduction Act Notice, see instructions.
EEA

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