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Sec. 27. Taxes Of Foreign Countries And Possessions Of The United States

The amount of taxes imposed by foreign countries and possessions of the United States shall be allowed as a credit against the tax imposed by this chapter to the extent provided in section 901¹

¹ So in original.

(Aug. 16, 1954, ch. 736, 68A Stat. 13, 33; Oct. 4, 1976, Pub. L. 94-455, title X, 1051(a), 90 Stat. 1643; renumbered 27, July 18, 1984, Pub. L. 98-369, div. A, title IV, 471(c), 98 Stat. 826; Pub. L. 115-141, Div. U, title IV, Sec. 401(d)(1)(A), Mar. 23, 2018, 132 Stat. 348.)

BACKGROUND NOTES

Amendments to Subpart B

1986--Pub. L. 99-514, title II, 231(d)(3)(J), Oct. 22, 1986, 100 Stat. 2180, struck out item 30 "Credit for increasing research activities".

1984--Pub. L. 98-369, div. A, title IV, 471(b), July 18, 1984, 98 Stat. 826, added subpart B heading and analysis of sections for subpart B consisting of items 27 (formerly 33), 28 (formerly 44H), 29 (formerly 44D), and 30 (formerly 44F). Former subpart B was redesignated E.

AMENDMENTS

2018--Sec. 27. Pub. L. 115-141, Div. U, Sec. 401(d)(1)(A), substituted "Sec. 27. Taxes Of Foreign Countries And Possessions Of The United States" for "Sec. 27. Taxes Of Foreign Countries And Possessions Of The United States; Possession Tax Credit"; and substituted "The amount of taxes imposed by foreign countries and possessions of the United States shall be allowed as a credit against the tax imposed by this chapter to the extent provided in section 901" for

"(a) Foreign Tax Credit. The amount of taxes imposed by foreign countries and possessions of the United States shall be allowed as a credit against the tax imposed by this chapter to the extent provided in section 901.

(b) Section 936 Credit. In the case of a domestic corporation, the amount provided by section 936 (relating to Puerto Rico and possession tax credit) shall be allowed as a credit against the tax imposed by this chapter."

1984--Pub. L. 98-369, 471(c), renumbered section 33 of this title as this section.

1976--Pub. L. 94-455, Sec. 1051(a), designated existing provisions as subsec. (a) and added subsec. (b).

EFFECTIVE DATE OF 2018 AMENDMENTS

Amendments by Pub. L. 115-141, Div. U, Sec. 401(d)(1)(A), effective on the date of enactment of this Act [Mar. 23, 2018].

Sec. 401(e) of Pub. L. 115-141, Div. U, provided the following Savings Provision:

"(e) General Savings Provision With Respect To Deadwood Provisions.—If—

"(1) any provision amended or repealed by the amendments made by subsection (b) or (d) applied to—

"(A) any transaction occurring before the date of the enactment of this Act,

"(B) any property acquired before such date of enactment, or

"(C) any item of income, loss, deduction, or credit taken into account before such date of enactment, and

"(2) the treatment of such transaction, property, or item under such provision would (without regard to the amendments or repeals made by such subsection) affect the liability for tax for periods ending after such date

of enactment,

“nothing in the amendments or repeals made by this section shall be construed to affect the treatment of such transaction, property, or item for purposes of determining liability for tax for periods ending after such date of enactment.”

EFFECTIVE DATE OF 1976 AMENDMENT

Section 1051(i) of Pub. L. 94-455, as amended by Pub. L. 99-514, 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(1) Except as provided by paragraph (2), the amendments made by this section [enacting section 936 of this title and amending sections 33 [now 27], 48, 116, 243, 246, 861, 901, 904, 931, 1504, and 6091 of this title] shall apply to taxable years beginning after December 31, 1975, except that ‘qualified possession source investment income’ as defined in section 936(d)(2) of the Internal Revenue Code of 1986 [formerly *I.R.C. 1954*] shall include income from any source outside the United States if the taxpayer establishes to the satisfaction of the Secretary of the Treasury or his delegate that the income from such sources was earned before October 1, 1976.

“(2) The amendment made by subsection (d)(2) [amending section 901 of this title] shall not apply to any tax imposed by a possession of the United States with respect to the complete liquidation occurring before January 1, 1979, of a corporation to the extent that such tax is attributable to earnings and profits accumulated by such corporation during periods ending before January 1, 1976.”

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