

**SCHEDULE P
(Form 1120-FSC)**

Transfer Price or Commission

OMB No. 1545-0935

Department of the Treasury
Internal Revenue Service

For amount reported on line _____, Schedule _____, Form 1120-FSC.

▶ See separate instructions. Please type or print.

▶ Attach Schedule P to Form 1120-FSC.

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Name as shown on Form 1120-FSC

Employer identification number

A Product or product line (see instructions)

B Basis of reporting (see instructions):

- 1. Transaction-by-transaction:
 - a. Aggregate on Schedule P
 - b. Aggregate on tabular schedule
 - c. Tabular schedule of transactions
- 2. Group of transactions

C Principal business activity code (if applicable) (see instructions)

Part I FSC Profit

Section A—Combined Taxable Income (see instructions)

Full Costing

1	Foreign trading gross receipts from transaction between FSC or related supplier and third party			1	
2	Costs and expenses allocable to foreign trading gross receipts from transaction:				
a	Cost of goods sold attributable to property if sold, or depreciation attributable to property if leased	2a			
b	Related supplier's expenses allocable to foreign trading gross receipts (see instructions)	2b			
c	FSC's expenses allocable to foreign trading gross receipts	2c			
d	Add lines 2a through 2c.			2d	
3	Combined taxable income. Subtract line 2d from line 1. If zero or less, enter -0-				3

Marginal Costing

4	Foreign trading gross receipts from resale by FSC, or sale by related supplier, to third party			4	
5	Costs and expenses allocable to foreign trading gross receipts from sale:				
a	Cost of direct material attributable to property sold	5a			
b	Cost of direct labor attributable to property sold	5b			
c	Add lines 5a and 5b			5c	
6	Subtract line 5c from line 4. If zero or less, skip lines 7 through 11 and enter -0- on line 12				6
7	Gross receipts of related supplier and FSC or controlled group from foreign and domestic sales of the product or product line				7
8	Costs and expenses of related supplier and FSC or controlled group allocable to gross income from sales:				
a	Cost of goods sold attributable to property sold	8a			
b	Expenses allocable to gross income	8b			
c	Add lines 8a and 8b			8c	
9	Subtract line 8c from line 7. If zero or less, skip lines 10 and 11 and enter -0- on line 12				9
10	Overall profit percentage. Divide line 9 by line 7. Check if the controlled group optional method is used . ▶ <input type="checkbox"/>				10 %
11	Overall profit percentage limitation. Multiply line 4 by line 10				11
12	Combined taxable income. Enter the smaller of line 6 or line 11				12

Section B—23% of Combined Taxable Income Method (see instructions)

13	Multiply line 3 or line 12 (as elected by related supplier) by 23%.			13	
14	FSC profit. Enter amount from line 13. If marginal costing is used, enter the smaller of line 3 or line 13				14

Section C—1.83% of Foreign Trading Gross Receipts Method (see instructions)

15	Multiply line 1 by 1.83%.			15	
16	Multiply line 3 or line 12 (as elected by related supplier) by 46%			16	
17	FSC profit. Enter the smallest of line 3, line 15, or line 16				17

Part II Transfer Price From Related Supplier to FSC

18	Enter amount from line 1 or line 4, whichever is applicable			18	
19a	FSC profit. Enter amount from line 14 or line 17, whichever is applicable	19a			
b	FSC expenses allocable to foreign trading gross receipts from transaction	19b			
c	Add lines 19a and 19b			19c	
20	Transfer price from related supplier to FSC. Subtract line 19c from line 18 (see instructions)				20

Part III FSC Commission From Related Supplier

21	FSC profit. Enter amount from line 14 or line 17, whichever is applicable			21	
22	FSC expenses allocable to foreign trading gross receipts from transaction.			22	
23	FSC commission from related supplier. Add lines 21 and 22 (see instructions).				23

