

**U.S. Income Tax Return of a Foreign Corporation**

For calendar year 2006, or tax year beginning \_\_\_\_\_, 2006, and ending \_\_\_\_\_, 20 \_\_\_\_\_  
 ▶ Instructions are separate.

**2006**

<b>Use IRS label. Otherwise, print or type.</b>	Name	Employer identification number
	Number, street, and room or suite no. (see instructions)	
	City or town, state and ZIP code, or country (see instructions)	

**Check applicable boxes:**  
 Initial return       Name change  
 Final return       Address change  
 Amended return

<p><b>A</b> Country of incorporation .....</p> <p><b>B</b> Foreign country under whose laws the income reported on this return is subject to tax .....</p> <p><b>C</b> Date incorporated .....</p> <p><b>D</b> Location of corporation's primary books and records (city, province or state, and country) .....</p> <p>Principal location of business .....</p> <p>If the corporation maintains an office or place of business in the United States, check here <input type="checkbox"/></p> <p><b>E</b> If the corporation had an agent in the United States at any time during the tax year, enter:                  Kind of agent .....</p> <p>Name .....</p> <p>Address .....</p> <p><b>F</b> See page 24 of the instructions and enter the corporation's principal:                  (1) Business activity code number ▶ .....</p> <p>(2) Business activity ▶ .....</p> <p>(3) Product or service ▶ .....</p> <p><b>G</b> Check method of accounting: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶</p>	<p><b>H</b> Did the corporation file a U.S. income tax return for the preceding tax year? . . . . .</p> <p><b>I</b> At any time during the tax year, was the corporation engaged in a trade or business in the United States?</p> <p><b>J</b> At any time during the tax year, did the corporation have a permanent establishment in the United States for purposes of applying section 894(b) and any applicable tax treaty between the United States and a foreign country? . . . . .</p> <p>If "Yes," enter the name of the foreign country: .....</p> <p><b>K</b> Did the corporation have any transactions with related parties? . . . . .</p> <p>If "Yes," Form 5472 may have to be filed (see instructions). Enter number of Forms 5472 attached ▶ .....</p> <p><b>L</b> Is the corporation a controlled foreign corporation? (See section 957(a) for definition.)</p> <p><b>Note:</b> Additional information is required at the bottom of pages 2 and 5.</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Yes</th> <th style="width:50%;">No</th> </tr> <tr><td> </td><td> </td></tr> </table>	Yes	No														
Yes	No																	

**Computation of Tax Due or Overpayment**

1 Tax from Section I, line 11, page 2 . . . . .		<b>1</b>		
2 Tax from Section II, Schedule J, line 9, page 4 . . . . .		<b>2</b>		
3 Tax from Section III (add lines 6 and 10 on page 5) . . . . .		<b>3</b>		
4 <b>Total tax.</b> Add lines 1 through 3 . . . . .		<b>4</b>		
<b>5 Payments:</b>				
a 2005 overpayment credited to 2006	<b>5a</b>			
b 2006 estimated tax payments	<b>5b</b>			
c Less 2006 refund applied for on Form 4466	<b>5c</b>	(	)	<b>Bal ▶</b>
e Tax deposited with Form 7004 . . . . .				<b>5d</b>
f Credit for tax paid on undistributed capital gains (attach Form 2439) . . . . .				<b>5e</b>
g Credit for federal tax on fuels (attach Form 4136). See instructions . . . . .				<b>5f</b>
h U.S. income tax paid or withheld at source (add line 12, page 2, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805)) . . . . .				<b>5g</b>
i Credit for federal telephone excise tax paid (attach Form 8913) . . . . .				<b>5h</b>
j Total payments. Add lines 5d through 5i . . . . .				<b>5i</b>
6 Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . <input type="checkbox"/>				<b>5j</b>
7 <b>Amount owed.</b> If line 5j is smaller than the total of lines 4 and 6, enter amount owed . . . . .				<b>6</b>
8 <b>Overpayment.</b> If line 5j is larger than the total of lines 4 and 6, enter amount overpaid . . . . .				<b>7</b>
9 Enter amount from line 8 <b>Credited to 2007 estimated tax</b> ▶				<b>8</b>
				<b>9</b>
				<b>Refunded ▶</b>

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer	Date	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
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<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code		EIN	
			Phone no. ( )	

**SECTION I—Income From U.S. Sources Not Effectively Connected With the Conduct of a Trade or Business in the United States** (see instructions)

If you are required to complete Section II or are using Form 1120-F as a claim for refund of tax withheld at source, include below **all** income from U.S. sources that is **not** effectively connected with the conduct of a trade or business in the United States. Otherwise, include only those items of income on which the U.S. income tax was not fully paid at the source. The rate of tax on each item of **gross** income listed below is 30% (4% for the gross transportation tax) or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Fill in treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete Item U on page 5.**

Name of treaty country, if any ▶

(a) Nature of income	(b) Gross income	(c) Rate of tax (%)	(d) Amount of tax	(e) Amount of U.S. income tax paid or withheld at the source
1 Interest . . . . .				
2 Dividends . . . . .				
3 Rents . . . . .				
4 Royalties . . . . .				
5 Annuities . . . . .				
6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule) . . . . .				
7 Gains from sale or exchange of patents, copyrights, etc. . . . .				
8 Fiduciary distributions (attach supporting schedule) . . . . .				
9 Gross transportation income (see instructions) . . . . .		4		
10 Other fixed or determinable annual or periodic gains, profits, and income . . . . .				
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<b>11 Total.</b> Enter here and on line 1, page 1 . . . . . ▶				
<b>12 Total.</b> Enter here and include on line 5h, page 1 . . . . . ▶				

**Additional Information Required** (continued from page 1)

	Yes	No		Yes	No
<b>M</b> Is the corporation a personal service corporation? (See instructions for definition) . . . . .			<b>Q</b> Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 31a, page 3.) ▶ \$ .....		
<b>N</b> Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$ .....				<b>R</b> Is the corporation a subsidiary in a parent-subsidiary controlled group? . . . . . If "Yes," enter the name and EIN of the parent corporation ▶ .....	
<b>O</b> At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (See section 267(c) for rules of attribution.) . . . . .  If "Yes," attach a schedule showing (1) name and employer identification number (EIN) of such U.S. corporation; (2) percentage owned; and (3) taxable income or (loss) before NOL and special deductions of such U.S. corporation for the tax year ending with or within your tax year.			<b>S</b> At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267(c) for rules of attribution.)  If "Yes," attach a schedule showing the name and identifying number. (Do not include any information already entered in item <b>R</b> above.)  Enter percentage owned ▶ .....		
<b>P</b> If the corporation has a net operating loss (NOL) for the tax year and is electing to forego the carryback period, check here . . . . . ▶ <input type="checkbox"/>					

**Note:** Additional information is required at the bottom of page 5.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States (see instructions)

Important: Fill in all applicable lines and schedules. If you need more space, see Assembling the Return in the instructions.

Table with columns for Income (lines 1-11), Deductions (lines 12-31), and Taxable income (line 32). Includes sub-sections for Income and Deductions with detailed descriptions and line numbers.

Schedule A Cost of Goods Sold (see instructions)

Table for Schedule A Cost of Goods Sold (lines 1-8) and valuation questions (9a-f). Includes instructions for inventory valuation and checkboxes for Yes/No answers.

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
<b>1</b> Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
<b>2</b> Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
<b>3</b> Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
<b>4</b> Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
<b>5</b> Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
<b>6</b> Dividends from less-than-20%-owned foreign corporations . . . . .		70	
<b>7</b> Dividends from 20%-or-more-owned foreign corporations . . . . .		80	
<b>8 Total.</b> Add lines 1 through 7. See instructions for limitation . . . . .			
<b>9</b> Dividends from foreign corporations not included on lines 3, 6, or 7			
<b>10</b> Foreign dividend gross-up (section 78) . . . . .			
<b>11</b> IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
<b>12</b> Other dividends . . . . .			
<b>13</b> Deduction for dividends paid on certain preferred stock of public utilities			
<b>14 Total dividends.</b> Add lines 1 through 12. Enter here and on line 4, page 3			
<b>15 Total special deductions.</b> Add lines 8 and 13. Enter here and on line 31b, page 3 . . . . . ▶			

**Schedule E Compensation of Officers** (See instructions for Section II, line 12.)

**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 of Section II) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
<b>1</b>		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
<b>2</b> Total compensation of officers . . . . .					
<b>3</b> Compensation of officers claimed on Schedule A and elsewhere on this return . . . . .					
<b>4</b> Subtract line 3 from line 2. Enter the result here and on line 12, page 3 . . . . .					

**Schedule J Tax Computation** (see instructions)

<b>1</b> Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) ▶ <input type="checkbox"/>	
<b>2</b> <b>Income tax.</b> Check if a qualified personal service corporation (see instructions) . . ▶ <input type="checkbox"/>	<b>2</b>
<b>3</b> Alternative minimum tax (attach Form 4626) . . . . .	<b>3</b>
<b>4</b> Add lines 2 and 3 . . . . .	<b>4</b>
<b>5a</b> Foreign tax credit (attach Form 1118) . . . . .	<b>5a</b>
<b>b</b> Qualified electric vehicle credit (attach Form 8834) . . . . .	<b>5b</b>
<b>c</b> General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844	<b>5c</b>
<b>d</b> Credit for prior year minimum tax (attach Form 8827). . . . .	<b>5d</b>
<b>e</b> Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 . . . . .	<b>5e</b>
<b>6</b> <b>Total credits.</b> Add lines 5a through 5e . . . . .	<b>6</b>
<b>7</b> Subtract line 6 from line 4 . . . . .	<b>7</b>
<b>8</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	<b>8</b>
<b>9</b> <b>Total tax.</b> Add lines 7 and 8. Enter here and on line 2, page 1. . . . .	<b>9</b>

SECTION III—Branch Profits Tax and Tax on Excess Interest

Part I—Branch Profits Tax (see instructions)

Table with 6 rows and 3 columns. Rows 1-6 contain instructions for Branch Profits Tax and corresponding input fields.

Part II—Tax on Excess Interest (see instructions)

Table with 10 rows and 3 columns. Rows 7a-10 contain instructions for Tax on Excess Interest and corresponding input fields.

Additional Information Required (continued from page 2)

Table with 4 main sections (T, U, V, W, X) and Yes/No columns for responses to various questions regarding tax treatment and foreign entities.

**Additional schedules to be completed for Section II or Section III (see instructions)**

<b>Schedule L</b>	<b>Balance Sheets per Books</b>	<b>Beginning of tax year</b>		<b>End of tax year</b>	
		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
	<b>Assets</b>				
1	Cash . . . . .				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts . . . . .	( )		( )	
3	Inventories . . . . .				
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)				
7	Loans to shareholders . . . . .				
8	Mortgage and real estate loans . . . . .				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation . . . . .	( )		( )	
11a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .	( )		( )	
12	Land (net of any amortization) . . . . .				
13a	Intangible assets (amortizable only) . . . . .				
b	Less accumulated amortization . . . . .	( )		( )	
14	Other assets (attach schedule) . . . . .				
15	<b>Total assets</b> . . . . .				
	<b>Liabilities and Shareholders' Equity</b>				
16	Accounts payable . . . . .				
17	Mtges., notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)				
19	Loans from shareholders . . . . .				
20	Mtges., notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule) . . . . .				
22	Capital stock: <b>a</b> Preferred stock . . . . .				
	<b>b</b> Common stock . . . . .				
23	Additional paid-in capital . . . . .				
24	Retained earnings—Appropriated (attach schedule)				
25	Retained earnings—Unappropriated . . . . .				
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock . . . . .	( )		( )	
28	<b>Total liabilities and shareholders' equity</b>				

**Note:** The corporation is not required to complete Schedules M-1 and M-2 below if the total assets on Schedule L, line 15, column (d) are less than \$25,000.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

1	Net income (loss) per books . . . . .		7	Income recorded on books this year not included on this return (itemize):
2	Federal income tax per books . . . . .		a	Tax-exempt interest, \$ . . . . .
3	Excess of capital losses over capital gains			.....
4	Income subject to tax not recorded on books this year (itemize):		8	Deductions on this return not charged against book income this year (itemize):
	.....		a	Depreciation . . . \$ . . . . .
5	Expenses recorded on books this year not deducted on this return (itemize):		b	Charitable contributions \$ . . . . .
a	Depreciation . . . \$ . . . . .			.....
b	Charitable contributions \$ . . . . .		9	Add lines 7 and 8 . . . . .
c	Travel and entertainment \$ . . . . .		10	Income (line 30, page 3)—line 6 less line 9 . . . . .
6	Add lines 1 through 5 . . . . .			

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Schedule L, line 25)**

1	Balance at beginning of year . . . . .		5	Distributions: <b>a</b> Cash . . . . .
2	Net income (loss) per books . . . . .			<b>b</b> Stock . . . . .
3	Other increases (itemize):			<b>c</b> Property . . . . .
	.....		6	Other decreases (itemize):
	.....		7	Add lines 5a through 6 . . . . .
4	Add lines 1, 2, and 3 . . . . .		8	Balance at end of year (line 4 less line 7)