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IRS practice unit: Expense allocation and apportionment in calculation of foreign tax credit limitation

The IRS Large Business and International (LB&I) division publicly released a “practice unit”—part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices about tax concepts in general and specific types of transactions.

The title of the “concept unit” (as referred to by the IRS) is: *Overview – Expense allocation/apportionment in calculation of the IRC 904 FTC limitation*

Read the practice unit on the [IRS practice unit webpage](#) (posting date of November 2, 2021).

The practice unit notes that it was revised to correct an error:

Foreign source gross income of \$17 million should be under the “Residual” column and not the “Statutory” column. This Practice Unit supersedes the August 29, 2016, Practice Unit with the same title.

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