

2018 Schedule FE Instructions

Report with Respect to Foreign Entities

A corporation that is required to file U.S. Form 5471 with respect to its ownership of certain foreign corporations must file Schedule FE with its Massachusetts return for each such foreign corporation. Such filing is required irrespective as to whether the corporation making the filing is filing a return as part of a combined report, Form 355U. In the case of a combined report, if any member of the combined group files U.S. Form 5471 with its U.S. income tax return, the principal reporting corporation of the combined group must attach a Schedule FE to the combined report on behalf of that member.

Note: Beginning with tax year 2015, where the U.S. Form 1120 is submitted as an attachment to the Massachusetts Form 355U and includes the U.S. Form 5471 filed with respect to a foreign corporation, the member is not required to also submit Schedule FE for that foreign corporation.

General Information

The information to be reported on Schedule FE generally corresponds to specific items on U.S. Form 5471. The total amounts referenced on the Schedule FE should correspond to the amounts reported on the federal form.

Note: Due to late IRS federal tax reform changes, please note that some Schedule FE line item numbers do not directly correspond to line items on Schedule C of 2018 U.S. Form 5471. Please carefully review Income Statement instructions below to ensure correct reporting.

Name of corporation filing return and Taxpayer Identification number. Enter the name and tax identification number of the corporation that is filing the Massachusetts return to which the Schedule FE is attached. In the case of a combined report filing (e.g., Form 355U), the corporation name and taxpayer identification number referenced should be that of the combined group's principal reporting corporation, regardless of which member or members of the group file the U.S. Form 5471.

Name of person filing U.S. Form 5471 and Taxpayer Identification number. This must correspond to the name of the filer and the identifying number reported in Item A of the U.S. Form 5471. This may be the same as the name and tax identification number shown above.

Category of filer and percent of foreign corporation stock ownership. This information must correspond to that stated on the U.S. Form 5471 as actually filed. Check the boxes that correspond to the categories checked in Item B of Form 5471 and provide the percentage of ownership reported in Item C of Form 5471.

Name and address of foreign corporation. This information must correspond to the name and address as shown in item 1a of U.S. Form 5471 as actually filed. The entries for taxpayer identification number, country of incorporation, principal business activity code and principal business activity must correspond to items 1b, 1c, 1f and 1g of U.S. Form 5471 as filed.

Foreign corporation's annual accounting period. This information must correspond to the information as reported on U.S. Form 5471. (Note that the top header line on Schedule FE references the taxable year of the corporation filing Schedule FE and not the accounting period of the foreign entity; these positions are reversed from their presentation on the U.S. Form 5471).

Taxable income or loss from U.S. return as filed. This information should match the amount reported on line 2b of U.S. Form 5471. Leave blank if not applicable.

Income statement. Taxpayers required to complete Schedule C included on U.S. Form 5471 must report the U.S. dollar amounts from that schedule on the appropriate lines of Schedule FE.

Line 8

Enter the total amount of all foreign currency transaction gain or loss (from lines 8a and 8b of 2018 U.S. Form 5471, Schedule C), and other income (from line 9 of 2018 U.S. Form 5471, Schedule C), on line 8.

Line 21

Enter the total amount of both current and deferred income tax expense or benefit (from total of lines 21a and 21b of 2018 U.S. Form 5471, Schedule C) on line 20.