Massachusetts Department of Revenue

Schedule FCI

Foreign Corporation Income of U.S. Shareholder

Note: Schedule FCI should be used for all tax types.

2024

For calendar year 2024 or taxable year beginning **2024 and ending**

The U.S. shareholder must provide copies of U.S. Forms 5471, 8992, 8993 and Schedules K-2 and K-3 (as filed with all related schedules and supporting statements) with this schedule.

All taxpayers must complete the section entitled U.S. Shareholder Foreign Income below. A U.S. shareholder that is a member of a Massachusetts combined group must also complete the section entitled Total Dividends of U.S. shareholder-Massachusetts Combined Group Member below. See instructions. Note: Individual taxpayers who elected installment treatment of deemed repatriated income should reference their 2019 Schedule FCI-I, Part C, line 6e, and/or their 2024 payment voucher for the installment amount due on April 15, 2025.

Name of U.S. shareholder | Taxpayer Identification number

Number of foreign corporations for which U.S. shareholder is reporting income

To be completed only by business corporations or financial institutions that are members of a Massachusetts combined group:

Fill in if U.S. shareholder is a Massachusetts combined group member ○

Combined group election ○ Worldwide ○ Affiliated group ○ Neither

Name of principal reporting corporation of Massachusetts combined group | Taxpayer Identification number

Fill in if any foreign corporation for which U.S. shareholder is reporting income is a member of the same Massachusetts combined group as U.S. shareholder ○

U.S. Shareholder Foreign Income.

Subpart F income of U.S. shareholder

1 U.S. shareholder's Subpart F income. See instructions **1**

Global Intangible Low-Taxed Income (GILTI) of U.S. shareholder

2 U.S. shareholder's IRC § 951A GILTI. See instructions **2**

Other dividends received by U.S. shareholder

3 Other dividends received by U.S. shareholder from CFCs. See instructions **3**

Gross-up associated with foreign income of U.S. shareholder

4 U.S. shareholder's total gross-up for foreign taxes deemed paid. See instructions. **4**

Total Dividends of U.S. Shareholder — Massachusetts Combined Group Member

Complete lines 1 through 9 if U.S. shareholder is a corporation or financial institution that is a member of a Massachusetts combined group. See instructions.

		2024
1	Total of all U.S. and foreign dividends (deemed or actual) of U.S. shareholder (including Subpart F income, GILTI and CFC dividends) **1**	
2	Combined group dividends of U.S. shareholder subject to intercompany elimination. **2**	
3	Total of all dividends of U.S. shareholder not subject to intercompany elimination. Subtract line 2 from line 1. . . . . **3**	
4	Line 3 dividends attributable to U.S. subsidiaries where U.S. shareholder owns less than 15% of voting stock. **4**	
5	Line 3 dividends attributable to foreign subsidiaries where U.S. shareholder owns less than 15% of voting stock. **5**	
6	Line 3 dividends attributable to U.S. shareholder's ownership of RICs, REITs or non-wholly owned DISCs **6**	
7	Total line 3 taxable dividends of U.S. shareholder. Add lines 4 through 6 . . . . . **7**	
8	Total line 3 dividends of U.S. shareholder eligible for 95% Massachusetts DRD. Subtract line 7 from line 3 . . . . . **8**	
9	95% Massachusetts DRD of U.S. shareholder. Multiply line 8 by .95 . . . . . **9**	

2024 Schedule FCI Instructions

Note: Taxpayers must refer to their specific Massachusetts tax return instructions to ensure that amounts reported on Schedule FCI are correctly reflected on their tax returns.

The Tax Cuts and Jobs Act (TCJA) was enacted by the federal government in December of 2017. The TCJA has a number of Massachusetts tax implications for business and individual taxpayers. These are, among others, inclusion of deemed repatriation income, GILTI and Massachusetts income adjustments for disallowed federal deductions (including the Internal Revenue Code (IRC) § 245A participation exemption deduction for foreign source dividends and the IRC § 250 deduction from GILTI and Foreign-Derived Intangible Income (FDII)). This income is also subject to the dividend gross-up rules set out in IRC § 78 which must be reflected in amounts reported by the taxpayer in its respective business or personal income tax return.

For tax years beginning on or after January 1, 2018, certain business taxpayers and personal income taxpayers were required to file Massachusetts Schedule FCI (Foreign Corporation Income of U.S. Shareholder) with their tax returns to report the pro rata share of foreign corporation income reported for federal tax purposes.

For a more detailed explanation see TIR 19-11: Legislation Impacting the Massachusetts Tax Treatment of Selected International Provisions of the Federal Tax Cuts and Jobs Act.

Submit Federal Forms with Schedule FCI

In addition to completing and submitting Schedule FCI, taxpayers must also provide completed copies of the following 2024 U.S. tax forms (or their equivalents) as filed with all counterparts, supporting schedules and statements in the same manner as required for federal tax purposes:

• Form 5471 (Information Return of U.S. Persons with Respect to Certain Foreign Corporations);

• Form 8992 (U.S. Shareholder Calculation of Global Intangible Low-Taxed Income (GILTI));

• Schedule B (Form 8992) (Calculation of GILTI for Members of a U.S. Consolidated Group Who Are U.S. Shareholders of a CFC)

• Form 8993 (Section 250 Deduction for Foreign-Derived Intangible Income (FDII) and Global Intangible Low-Taxed Income (GILTI));

• Schedule K-2 (Shareholders Pro Rata/Partners' Distributive Share Items-International);

• Schedule K-3 (Shareholders Pro Rata/Partners' Share of Income, Deductions, Credits, etc. International); and

• Any other related or equivalent U.S. form, schedule or statement

Note: Submission of U.S. forms and schedules with Schedule FCI constitutes part of the taxpayer's Massachusetts tax return reporting and overall filing requirements.

General Information

Who must file Schedule FCI?

Schedule FCI must be completed and filed with the tax return of any Massachusetts taxpayer who, for federal tax purposes, is a U.S. shareholder of any controlled foreign corporation (CFC) or specified foreign corporation (SFC) as such are defined in the IRC. Schedule FCI must be completed and filed when a taxpayer has a legal requirement to file and report income and deductions attributable to CFCs or SFCs on certain specified U.S. tax forms. The taxpayer must provide completed copies of these U.S. forms with Schedule FCI and their Massachusetts tax return. See "Submit Federal Forms with Schedule FCI" above.

Specific Reporting Instructions

The scope of reporting on Schedule FCI includes U.S. shareholder and foreign corporation information and income and deductions attributable to CFCs and SFCs. Taxpayers that are members of a Massachusetts combined group must also report total dividends received and deductions claimed for both U.S. and foreign dividend sources.

Registration Information

The taxpayer must enter beginning and ending dates of its taxable year on the top portion of the schedule. The taxpayer must report U.S. shareholder and foreign corporation information as provided on U.S. Form 5471 and on other related U.S. forms that must be submitted by the taxpayer with Schedule FCI (see "Submit Federal Forms with Schedule FCI" above).

U.S. shareholders are generally required to report aggregate inclusion amounts for federal tax purposes and to complete a separate U.S. Form 5471 for each applicable foreign corporation. Thus, a number of forms 5471 may be filed by a single U.S. shareholder. To address this, Schedule FCI requires that the taxpayer report the total number of foreign corporations from which the taxpayer is reporting income and deductions. All forms 5471 relating to such foreign corporations must be provided with Schedule FCI.

A U.S. shareholder that is a business corporation or financial institution must also indicate whether it is a member of a combined group on its Schedule FCI. If it is, the taxpayer must indicate its combined group election status, the name and TIN of the principle reporting corporation of the combined group, and whether any controlled foreign corporation (CFC) or specified foreign corporation (SFC) reported on Schedule FCI is a member of the same combined group as the taxpayer.

Completing Schedule FCI

In addition to completing the top portion of the schedule, all taxpayers must complete the section entitled **U.S. Shareholder Foreign Income**. A U.S. shareholder that is a Massachusetts combined group member must also complete the section entitled **Total Dividends of U.S. Shareholder - Massachusetts Combined Group Member**.

See TIR 19-11: Legislation Impacting the Massachusetts Tax Treatment of Selected International Provisions of the Federal Tax Cuts and Jobs Act for specific details.

U.S. Shareholder Foreign Income

The taxpayer must report U.S. Shareholder Income. In addition to enclosing completed copies of 2024 U.S. Forms 5471, 8992 and 8993 with all supporting schedules and statements as filed, the taxpayer must enter the following amounts:

Subpart F Income of U.S. Shareholder

Line 1

Enter U.S. shareholder's Subpart F income from 2024 U.S. Form 5471, Schedule I, total of lines 1 through 4.

Global Intangible Low-Taxed Income (GILTI) of U.S. shareholder

Line 2

Enter the U.S. shareholder's IRC § 951A GILTI from U.S. Form 8992, Part II, line 5.

Other Dividends Received by U.S. Shareholder

Line 3

Enter other dividends received by the U.S. shareholder from 2024 U.S. Form 5471, Schedule I, total of lines 5a through 5e.

Gross-up Associated with Foreign Income of U.S. Shareholder

Line 4

Enter the U.S. shareholder's 2024 total IRC § 78 gross-up associated with foreign taxes deemed paid.

For certain business corporation and financial institution taxpayers, this is the amount reported on 2024 U.S. Form 1120, Schedule C, line 18, Column (a). For other business and individual taxpayers, enter the U.S. shareholder's 2024 total IRC § 78 gross-up associated with foreign taxes deemed paid from equivalent 2024 U.S. tax forms or schedules. See TIR 19-11, Section V for additional information regarding U.S. shareholder reporting of IRC § 78 gross-up associated with foreign income.

Note: Massachusetts does not allow the deductions in IRC §§ 245A, 250 and 965(c) for any amount of foreign income and/or gross-up attributable to such foreign income.

Total Dividends of U.S. Shareholder – Massachusetts Combined Group Member

Note: Only a U.S. shareholder that is a business corporation or financial institution and a member of a Massachusetts combined group must complete Part C.

A U.S. shareholder that is a member of a Massachusetts combined group must report total dividend income and deductions on Part C of Schedule FCI for the 2024 tax year. To complete Part C, enter the requested information in the same manner as a stand-alone business corporation or financial institution would report total dividend income and deductions on Schedule E-1 of Massachusetts Forms 355/355S or Schedule D of Massachusetts Form 63-FI (including any IRC § 78 gross-up attributable to such income). See TIR 19-11, Section V.

Massachusetts Dividends Received Deduction

Massachusetts does not allow the dividends received deduction allowed under the IRC. However, a deduction is generally allowed for 95% of the value of dividends received (Massachusetts DRD) **except for** the following:

• Dividends from ownership of shares in a corporate trust engaged in business in the Commonwealth;

• Dividends resulting from deemed or actual distributions (except actual distributions of previously taxed income) from a DISC which is not wholly-owned;

• Dividends from any class of stock if the corporation owns less than 15% of the voting stock of the payer corporation.

or

• Dividends received from a RIC or REIT, whether the dividend is paid directly by the RIC or REIT or indirectly as through a subsidiary or affiliate of the taxpayer.

Enclose a schedule showing payers, amounts and percent of voting stock owned by class of stock if claiming the Massachusetts DRD.

Line 1

Enter total of all U.S. and foreign source dividends (whether deemed or actual) of the U.S. shareholder (including but not limited to Subpart F income, GILTI and CFC dividends, and any IRC § 78 gross-up attributable to such income).

Line 2

Enter total of all combined group dividends of the U.S. shareholder that are subject to intercompany elimination pursuant to the Massachusetts combined group reporting regulation. See 830 CMR 63.32.2(6)(c)(4).

Line 3

Enter total of all dividends of the U.S. shareholder that are not subject to intercompany elimination by subtracting line 2 from line 1.

Line 4

Enter total of all line 3 dividends attributable to U.S. subsidiaries where the U.S. shareholder owns less than 15% of voting stock.

Line 5

Enter total of all line 3 dividends attributable to foreign subsidiaries where U.S. shareholder owns less than 15% of voting stock.

Line 6

Enter total of all line 3 dividends that are attributable to U.S. shareholder's ownership of RICs, REITs or non-wholly owned DISCs.

Line 7

Enter total of lines 4 through 6 on line 7. This amount represents the total of taxable dividends not subject to the 95% Massachusetts dividends received deduction (Massachusetts DRD).

Line 8

Subtract total on line 7 from total on line 3 and enter this amount on line 8. This amount represents the total of all line 3 dividends of U.S. shareholder that are eligible for the 95% Massachusetts DRD.

Line 9

Multiply the total on line 8 by .95 and enter this amount on line 9. This represents the total 95% Massachusetts DRD of the U.S. shareholder.