Form **4876-A**
(Rev. December 2001)
Department of the Treasury
Internal Revenue Service

Election To Be Treated as an Interest Charge DISC

OMB No. 1545-0190

Part I **The corporation named below elects to be treated as an interest charge domestic international sales corporation (IC-DISC) for income tax purposes. All of the corporation's shareholders must consent to this election.**

Name of corporation	**A Employer identification number**
Number, street, and room or suite no. (or P.O. box if mail is not delivered to street address)	**B** Principal business classification (see instructions)
City or town, state, and ZIP code	**D** Name of person who may be called for information: (optional)
C Tax year of IC-DISC: Must use tax year of shareholder (or shareholder group) with the highest percentage of voting power (see instructions). Enter ending month and day ►	
E Election is to take effect for the tax year beginning (month, day, year) / **F** Date corporation began doing business	Telephone number: ( )

G Name and address (including ZIP code) of each shareholder (or expected shareholder) at the beginning of the tax year the election takes effect and when the election is filed.	**H** Number of shares of stock held on— (Complete both columns for each shareholder.) First day of year of election	Date consent is made	**I** Identifying number (see instructions)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
Total. Enter total shares for all shareholders (include shares of shareholders listed on any attachments)			

Under penalties of perjury, I declare that the corporation named above has authorized me to make this election for the corporation to be treated as an IC-DISC and that the statements made are to the best of my knowledge and belief true, correct, and complete.

Signature and Title of Officer ► **Date** ,

Part II **Shareholders' Consent Statement. Part II may be used instead of attachments. For this election to be valid, each shareholder must sign and date below or attach a separate consent to this form (see instructions).**

We, the undersigned shareholders, consent to the election of the corporation named above to be treated as an IC-DISC. Our consent is irrevocable and is binding upon all transferees of our shares in this corporation.

Signature of shareholder and date. (If consent involves transferred shares, attach a schedule showing the name and address of the holder of the shares at the beginning of the tax year and the number of shares for which the consent is made.)

1	6
2	7
3	8
4	9
5	10

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A corporation files Form 4876-A to elect to be treated as an interest charge domestic international sales corporation (IC-DISC).

Once the election is made, it remains in effect until terminated or revoked. It applies to each shareholder who owns stock in the corporation while the election is in effect.

What Is an IC-DISC?

An IC-DISC is a U.S. corporation that meets certain conditions regarding its organization and international sales and that elects to be treated as an IC-DISC. The corporation must be organized under the laws of a state or the District of Columbia and meet the following tests:

- At least 95% of its gross receipts during the tax year are qualified export receipts.
- At the end of the tax year, the adjusted basis of its qualified export assets is at least 95% of the sum of the adjusted basis of all its assets.
- It has one class of stock, and its outstanding stock has a par value of at least $2,500 on each day of the tax year (or, for a new corporation, on the last day to elect IC-DISC status for the year and on each later day).
- It keeps separate books and records.
- Its tax year must conform to the tax year of the shareholder (or shareholder group) who has the highest percentage of voting power. If two or more shareholders (or shareholder groups) have the same highest percentage of voting power, the IC-DISC's tax year may be the same as that of any such shareholder (or group). See section 441(h) and its regulations for more information.
- Its election to be treated as an IC-DISC is in effect.

See section 992 and its regulations for details. Also see section 993 and its regulations for definitions of qualified export receipts and qualified export assets.

Ineligible organizations. S corporations, certain financial institutions, and other corporations listed in section 992(d) are not eligible for IC-DISC treatment.

When To File

If it is the corporation's first tax year, complete and file Form 4876-A within 90 days after the beginning of the tax year. For any tax year that is not the corporation's first tax year, the election must be made during the 90-day period immediately preceding the first day of that tax year.

For the election to be valid, all of the corporation's shareholders, as of the first day of the tax year the election is to take effect, must consent to it.

Where To File

File Form 4876-A with the IRS Service Center where the corporation will file its annual return, **Form 1120-IC-DISC,** Interest Charge Domestic International Sales Corporation Return.

Specific Instructions

Part I

Address. Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the corporation has a P.O. Box, show the box number instead of the street address.

Item B—Principal business classification. Use the list of Codes for Principal Business Activity in the Instructions for Form 1120-IC-DISC to enter the corporation's business code number, principal business activity, and principal product or service.

Item C—Tax year change. If a corporation electing to be an IC-DISC has to change its tax year to meet the tax year requirements of section 441(h), the corporation does not need IRS consent to make the change. A tax year change by a shareholder or a subsequent change by the corporation to meet the tax year requirements of section 441(h) may require IRS consent. See section 442 and the regulations under sections 441, 442, and 921 for more information.

Column I—Identifying number. The identifying number for an individual is the social security number. For all others, it is the employer identification number.

Signature. Form 4876-A must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other officer (such as tax officer) authorized to sign for the corporation.

Part II

Shareholders' Consent Statement. An election for IC-DISC treatment will be valid only if all shareholders sign either the consent statement in Part II or a separate statement as described below. Several shareholders may combine their consents in one statement.

If a husband and wife jointly own the stock or the income from it, both must sign the consent. If tenants in common, joint tenants, or tenants by the entirety own the stock, each person must sign. The legal guardian should sign for a minor; if none has been appointed, the natural guardian should sign.

The executor or administrator should sign for an estate, and the trustee should sign for a trust. If the estate or trust has more than one executor, administrator, or trustee, any of them who is authorized to file the returns may sign the consent. For a corporation or partnership, an officer or partner who is authorized to sign the other returns may sign the consent for the IC-DISC election.

A foreign person's consent may be signed by any individual who would be authorized to sign if the person were a U.S. person.

Extension. Normally, the consents must be attached to Form 4876-A. If you establish reasonable cause for not filing a consent on time, you may file the consent within an extended period granted by an Internal Revenue Service Center. File the consents with the same service center where you filed Form 4876-A.

If shares are transferred before a consent is filed, the transferee shareholder may consent to the IC-DISC election as long as the transfer occurs and the consent is filed within the first 90 days of the tax year. The service center may grant an extension beyond that date. If the transfer takes place more than 90 days after the tax year began, an extension can be granted only if the transferor was eligible for one.

Separate statement. Any shareholder who does not sign the consent in Part II of Form 4876-A must sign a separate consent statement for the election to be valid. The statement must say: "I, (shareholder's name), a shareholder of (corporation's name) consent to the election of (corporation's name) to be treated as an IC-DISC. The consent so made by me is irrevocable and is binding on all transferees of my shares in (corporation's name)."

In addition, the statement must show **(a)** the names, addresses, and identification numbers of both the corporation and the shareholder; **(b)** the number of shares the shareholder owned (or expects to own) at the beginning of the tax year the election takes effect; and **(c)** the number of shares the shareholder owns when making the consent.

For transferred stock, also show the name and address of the person who held the shares at the beginning of the tax year and the number of shares to which this consent applies.

Supplemental Form 4876-A. If, between the date the election is filed and the date it takes effect, the corporation issues more shares of stock or the share ownership changes, it must file a supplemental Form 4876-A, with "SUPPLEMENTAL" written across the top of the form. The form must be filed within the first 90 days of the tax year the election takes effect.

On the supplemental form, include all the information from the earlier form except for the list of owners contained in Parts I and II. Report only the owners of the new or additional shares in Part I, and in Part II obtain their consents only. Each new shareholder or holder of additional shares must consent to the IC-DISC election for the Supplemental Form 4876-A to be valid.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	4 hr., 4 min.
Learning about the law or the form	1 hr., 47 min.
Preparing and sending the form to the IRS	1 hr., 54 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do not send the form to this address. Instead, see **Where To File** above.