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**From:**

**Sent:** Friday, June 25, 2010 3:14:28 PM

**To:**

**Cc:**

**Subject:** Refund statute for foreign tax credit-related claims

Confirming my telephone advice, section 6511(d)(3)(A) provides a special extended statute of limitations for refund claims attributable to foreign tax credits. Such a refund claim is generally made by filing an amended return and is timely if filed within 10 years from the original due date (without extensions) of the return for the year in which the foreign taxes were actually paid or accrued (and not the earlier or later year to which the taxes are carried and claimed as a credit). Contested taxes, once finally determined, are considered to "relate back" and to accrue in the tax year to which the taxes relate; that is, the U.S. taxable year with or within which ends the foreign taxable year for which the creditable foreign tax is imposed. Rev. Rul. 84-125, 1984-2 C.B. 125; Rev. Rul. 61-93, 1961-1 C.B. 390. The taxpayer must substantiate its entitlement to the foreign tax credit with appropriate proof that the foreign taxes were actually owed and paid, including that the taxpayer reasonably applied the foreign tax law rules and took all effective and practical steps to minimize its foreign tax liability over time. Section 905(b); Treas. Reg. 1.901-2(e)(5).

Please call if you have further questions.