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Sent: Wednesday, October 12, 2016 9:27 PM
To: jeffrey E.; Brad Wechsler
Cc: John Castrucci; Thomas Turrin [REDACTED]
Subject: FW: foreign tax credit

Good news re foreign tax credits – general category credits from 2015 should be carried over to 2016 (no carryback to 2014). One caveat and I will not put into email (pls call to discuss)

Foreign tax credits. 1 year carryback; 10 year carryforward. Credits arise from “general category” income (management fees) or from “passive category” income (interest/dividends).

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In 2012, all carry forward and current year foreign tax credits were utilized.

General category credit carryback of \$456,067 from 2013 (regular tax) and \$528,706 (alt min) would have been absorbed into 2012 for regular and alt min purposes.

General category credit carryback of \$490,837 from 2014 (regular tax) and \$196,611 (alt min) would not be carried back to 2013 and would be carried over to 2015 (no capacity to absorb in 2013 for regular and alt min purposes).

All passive category credits were utilized in 2013 and 2014.

Any unused passive category credit of \$143,307 from 2015 would be carried back and absorbed in 2014 (lost if not carried back)

Unused general category credit of \$1,881,188 from 2015 would not be carried back to 2014 and would be carried over to 2016 & Carryover credit from 2014 would be carried over to 2016.

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Regular tax (2012):

Alt min (2012):

Regular tax(2013)

Regular tax (2013) – general category – full use (no capacity to absorb carryback)

Regular tax (2013) – passive category (capacity to absorb carryback passive category credit)

Alt min (2013) – full use of general category credit

AMT 2013 (capacity to absorb carryback for passive category tax credits)

Regular tax 2014

General category bucket – fully utilized NO capacity to absorb carry back

Regular tax 2014

Passive bucket (regular) fully use with capacity to absorb carryback credit

AMT 2014

GENERAL CATEGORY: Capacity to absorb general category credit of \$196,641

AMT 2014: PASSIVE CATEGORY capacity to absorb unused passive category credits = 1,