

(d) *IMPLEMENTATION BY REGULATIONS.*—*The Secretary or his delegate shall prescribe such regulations as he deems necessary or appropriate to implement this section.*

PART III—INCOME FROM SOURCES WITHOUT THE UNITED STATES

- Subpart A. Foreign tax credit.
- Subpart B. Earned income of citizens of United States.
- Subpart C. Western Hemisphere trade corporations.
- Subpart D. Possessions of the United States.
- Subpart E. China Trade Act corporations.
- Subpart F. Controlled Foreign Corporations.
- Subpart G. Export Trade Corporations.

Subpart A—Foreign Tax Credit

- Sec. 901. Taxes of foreign countries and of possessions of United States.
- Sec. 902. Credit for corporate stockholder in foreign corporation.
- Sec. 903. Credit for taxes in lieu of income, etc., taxes.
- Sec. 904. Limitation on credit.
- Sec. 905. Applicable rules.
- Sec. 906. *Nonresident alien individuals and foreign corporations.*

SEC. 901. TAXES OF FOREIGN COUNTRIES AND OF POSSESSIONS OF UNITED STATES.

(a) **ALLOWANCE OF CREDIT.**—If the taxpayer chooses to have the benefits of this subpart, the tax imposed by this chapter shall, subject to the applicable limitation of section 904, be credited with the amounts provided in the applicable paragraph of subsection (b) plus, in the case of a corporation, the taxes deemed to have been paid under sections 902 and 960. Such choice for any taxable year may be made or changed at any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by this chapter for such taxable year. The credit shall not be allowed against the tax imposed by section 531 (relating to the tax on accumulated earnings), against the additional tax imposed for the taxable year under section 1333 (relating to war loss recoveries), or against the personal holding company tax imposed by section 541.

(b) **AMOUNT ALLOWED.**—Subject to the applicable limitation of section 904, the following amounts shall be allowed as the credit under subsection (a):

(1) **CITIZENS AND DOMESTIC CORPORATIONS.**—In the case of a citizen of the United States and of a domestic corporation, the amount of any income, war profits, and excess profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; and

(2) **RESIDENT OF THE UNITED STATES OR PUERTO RICO.**—In the case of a resident of the United States and in the case of an