

Claiming Foreign Income Tax Receipt on US Taxes

When filing US taxes, properly **claiming foreign income tax receipts** is essential to avoid double taxation. Taxpayers can often benefit from credits or deductions by reporting taxes paid to foreign governments. Accurate documentation ensures compliance and maximizes potential refunds or reduces overall tax liability.

Sample Documentation

1. **Gather Foreign Tax Receipts:** Collect official documents and receipts showing taxes paid to foreign authorities. These should include dates, amounts, and currencies.
2. **Complete Form 1116:** Attach *IRS Form 1116, Foreign Tax Credit* to your tax return to claim a credit for taxes paid to a foreign country or US possession.
3. **Convert Amounts to Dollars:** Convert all foreign tax amounts to US dollars using the IRS-approved exchange rates for the applicable tax year.
4. **Maintain Supporting Documents:** Retain copies of all foreign tax receipts, tax returns, and translations (if not in English) in case of IRS review.

Sample US Tax Filing Note

Taxpayer received foreign income from [Country] during tax year [Year] and paid income taxes amounting to [Amount] (local currency). Claims a foreign tax credit by completing and attaching Form 1116. Receipts and translations are retained for verification.

Additional Resources

- [IRS: About Form 1116, Foreign Tax Credit](#)
- [IRS: Foreign Tax Credit](#)