



# TaxNewsFlash

United States



No. 2021-225  
May 24, 2021

## IRS practice unit: Allocation and apportionment of deductions, individual taxpayers

The IRS Large Business and International (LB&I) division publicly released a “practice unit”—part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices about tax concepts in general and specific types of transactions.

The title of the “process unit” (as referred to by the IRS) is:

- *Allocation and apportionment of deductions*

Read the practice unit on the [IRS practice unit webpage](#) (posting date of May 20, 2021).

The practice unit focuses on the general rules and processes of allocating and apportioning individual taxpayer’s most common expenses, losses, and other deductions, as reported on Form 1116, against foreign-source gross income in determining the foreign tax credit limitation.

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