September 16, 2026

Internal Revenue Service
CC:PA:01:PR (REG-115145-25)
Room 5503
P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: National Foreign Trade Council Comments on Proposed Regulations (REG-115145-25) relating to Section 898(c) Transition Rule for Allocating Foreign Taxes and Section 960(d)(4) Foreign Tax Credit Disallowance

The National Foreign Trade Council (the "NFTC") is writing to provide comments on the proposed regulations under REG-115145-25, "Section 898(c) Transition Rule for Allocating Foreign Taxes and Section 960(d)(4) Foreign Tax Credit Disallowance" (the "Proposed Regulations"), released by the Department of the Treasury ("Treasury") and the Internal Revenue Service ("IRS") on August 3, 2026.

The NFTC, organized in 1914, is an association of U.S. business enterprises engaged in all aspects of international trade and investment. Our membership covers the full spectrum of industrial, commercial, financial, and service activities. Our members support establishing and maintaining international tax norms that provide certainty to enterprises conducting cross-border operations.

The NFTC recognizes the efforts of Treasury and the IRS in developing these regulations addressing the repeal of the section 898(c)(2) one-month deferral election for specified foreign corporations ("SFCs") and the changes to section 960(d)(4) under the One Big Beautiful Bill Act (the "OBBBA") (P.L. 119-21). We appreciate the helpful transitional options and elections designed to align foreign tax accruals with the underlying income.

We welcome further simplification to ensure a smooth transition, reduce compliance and reporting burdens, and prevent computational distortions. In particular, the proposed regulations create an irrevocable election under § 1.898(c)-1(f) to allocate relevant succeeding-year taxes. We request that Treasury permit revocation of this election with the consent of the Commissioner, similar to other revocation procedures.

Thank you for consideration of our comments. We welcome the opportunity to discuss further or provide any additional information that would be helpful as you finalize the Proposed Regulations; please contact Anne Gordon, Vice President of International Tax Policy (agordon@nftc.org).