

Department of the Treasury  
Internal Revenue Service**Interest Charge on DISC-Related  
Deferred Tax Liability****File Form 8404 separately from your income tax return. See *Where to file* below.  
Go to [www.irs.gov/Form8404](http://www.irs.gov/Form8404) for the latest information.**

OMB No. 1545-0939

**2022****A** Check applicable box to show type of taxpayer.

- ☐ Corporation  
☐ Individual  
☐ Trust or Decedent's estate

Name of shareholder

Address (number, street, room, suite, or P.O. box number)

City or town, state or province, country, and ZIP or foreign postal code

**B** Shareholder's identifying number**C** IC-DISC's identifying number**D** Shareholder's tax year for which interest charge is required to be paid (see instructions)**E** Name of IC-DISC**Note:** See *Line-by-Line Instructions*, later.

<b>1</b>	Taxable income or loss on tax return (actual or estimated) . . . . .	<b>1</b>
<b>2</b>	Deferred DISC income from line 10, Part III, Schedule K (Form 1120-IC-DISC) . . . . .	<b>2</b>
<b>3</b>	Section 995(f)(2) adjustments to line 1 income or loss . . . . .	<b>3</b>
<b>4</b>	Combine lines 1, 2, and 3. If zero or less, <b>don't</b> file this form . . . . .	<b>4</b>
<b>5</b>	Tax liability on line 4 amount . . . . .	<b>5</b>
<b>6</b>	Tax liability per return (actual or estimated) . . . . .	<b>6</b>
<b>7</b>	DISC-related deferred tax liability. Subtract line 6 from line 5 . . . . .	<b>7</b>
<b>8</b>	Base period T-bill rate factor . . . . .	<b>8</b>
<b>9</b>	<b>Interest charge due.</b> Multiply line 7 by line 8. (See <i>Paying the interest charge</i> below.) . . . . .	<b>9</b>

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature and title (if any)

Date

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name

Firm's EIN

Firm's address

Phone no.

**Future Developments**For the latest information about developments related to Form 8404 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form8404](http://www.irs.gov/Form8404).**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of form.** Shareholders of Interest Charge Domestic International Sales Corporations (IC-DISCs) use Form 8404 to figure and report their interest owed on DISC-related deferred tax liability.**Who must file.** You must file Form 8404 if (a) you are a shareholder of an IC-DISC (or former IC-DISC); (b) the IC-DISC reports deferred DISC income to you on line 10, Part III of Schedule K (Form 1120-IC-DISC); and (c) the addition of this income would result in increased taxable income if it were included on your tax return for the tax year.**When to file.** File Form 8404 by the due date of your federal income tax return (excluding extensions) for your tax year that ends with or includes the IC-DISC's tax year end.

For example, you are a fiscal year corporation with an August 1, 2022, to July 31, 2023, tax year and you are a shareholder in an IC-DISC with an August 1, 2022, to July 31, 2023, tax year that reports deferred DISC income to you for its tax year ending July 31, 2023. Because your tax year ends with the IC-DISC's tax year, you are required to file Form 8404 on or before November 15, 2023 (3½ months after your tax year ends).

**Where to file.** File Form 8404 at the following address.Department of the Treasury  
Internal Revenue Service  
Kansas City, MO 64999**Paying the interest charge.** You must pay the interest charge shown on line 9 by the date your federal income tax for the tax year is required to be paid. For individuals and corporations, the interest is generally due on the 15th day of the 4th month following the close of the tax year. For corporations with a tax year ending on June 30, see section 2006(a)(3)(B) of P.L. 114-41.

Attach a check or money order made payable to "United States Treasury" for the full amount of the interest charge. Don't combine the interest charge with any other tax or interest due. Write your identification number and "Form 8404—Interest Due" on your payment.

If the interest charge isn't paid by the due date, interest, compounded daily, at the rate specified under section 6621, will be imposed on the amount of unpaid interest from the due date until the date the interest is paid.

Payment of estimated tax isn't required for the interest charge. See Proposed Regulations section 1.995(f)-1(j)(3) for other details.

For corporations (other than S corporations), the annual interest charge is deductible as an interest expense for the tax year it is paid or accrued. See Proposed Regulations section 1.995(f)-1(j)(2) for details on the tax year of deductibility. For other filers, this interest isn't deductible.

**Amended Form 8404.** You are required to file an amended Form 8404 only if the amount of the DISC-related deferred tax liability (line 7) changes as a result of audit adjustments, changes you make by the filing of an amended return, or if estimates were used on your original Form 8404 and changes were made to these estimates when you filed your tax return. See Proposed Regulations section 1.995(f)-1(j)(4) for details.**Specific Instructions****Name and address.** Enter the name and address as shown on your tax return from which the income or loss on line 1 of Form 8404 is obtained. If the return is a joint return, also enter your spouse's name as shown on Form 1040 or 1040-SR.**Item A—Type of taxpayer.** Check the applicable box to indicate your status as a taxpayer.

Partnerships and S corporations attribute their share of deferred DISC income to partners and shareholders, and the partners and shareholders complete Form 8404.

**Item B—Shareholder's identifying number.** Individuals must enter their social security number. Other filers must enter their employer identification number.**Item C—IC-DISC's identifying number.** Enter the identifying number of the IC-DISC from the Schedule K (Form 1120-IC-DISC) on which the deferred DISC income was reported to you. If income is reported to you from more than one IC-DISC, enter each IC-DISC's identifying number in item C, each IC-DISC's