

$$\begin{array}{l}
 \text{Foreign income taxes} \\
 \text{deemed paid by} \\
 \text{domestic shareholder} \\
 \text{(or upper-tier corporation)}
 \end{array}
 =
 \begin{array}{l}
 \text{Post-1986 foreign in-} \\
 \text{come taxes of first-tier} \\
 \text{corporation (or lower-} \\
 \text{tier corporation)}
 \end{array}
 \times
 \frac{\begin{array}{l}
 \text{Dividend paid to domestic} \\
 \text{shareholder (or upper-tier cor-} \\
 \text{poration) by first-tier corpora-} \\
 \text{tion (or lower-tier corporation)}
 \end{array}}{\begin{array}{l}
 \text{Post-1986 undistributed} \\
 \text{earnings of first-tier corpora-} \\
 \text{tion (or lower-tier corporation)}
 \end{array}}$$