

Reg. Section 1.460-6(d)(4)(i)(D)(1)

Look-back method

(d) Simplified marginal impact method—

(4) Application—

(i) Required use by certain pass-through entities—

(D) Domestic contracts—



(1) General rule. A domestic contract is any contract substantially all of the income of which is from sources in the United States. For this purpose, "substantially all" of the income from a long-term contract is considered to be from United States sources if 95 percent or more of the gross income from the contract is from sources within the United States as determined under the rules in sections 861 through 865.