

Foreign Income Tax Explanation

Date: [Insert Date]

To: [Insert Auditor's Name]

[Insert Auditor's Title]

[Insert Company's Name]

[Insert Company's Address]

[Insert City, State, Zip Code]

Dear [Insert Auditor's Name],

Subject: Explanation of Foreign Income Tax Reporting for Audit Period [Insert Audit Period]

I am writing to provide a detailed explanation regarding the foreign income tax reported in our financial statements for the audit period referenced above.

As per [Insert relevant tax law or regulation], we have reported foreign income and the corresponding taxes paid to [Insert Country Name] as follows:

- Foreign Income Amount: [Insert Amount]
- Foreign Tax Paid: [Insert Amount]
- Tax Credits Claimed: [Insert Amount]

All foreign income has been documented in compliance with applicable regulations, ensuring accurate reporting to [Insert relevant tax authority]. Attached to this letter is the supporting documentation, including:

1. Foreign tax returns
2. Payment receipts
3. Exchange rate calculations

We believe this information will clarify our position regarding the foreign tax obligations. Should you require any additional documentation or further clarification, please do not hesitate to contact me directly at [Insert Your Phone Number] or [Insert Your Email].

Thank you for your attention to this matter.

Sincerely,

[Insert Your Name]

[Insert Your Title]

[Insert Your Company Name]

[Insert Company Address]

[Insert City, State, Zip Code]