P, a domestic corporation, owns 50% of the voting stock of S, a CFC. S owns 10% of the voting stock of T, a CFC. The remaining 50% of the stock of S and the remaining 90% of the stock of T are owned, respectively, by X and Y. X and Y are each United States shareholders of T but are not related to P, S, or each other. In 2006, T pays a $100 dividend to S. The dividend is eligible for look-thru treatment and S is eligible to compute an amount of foreign taxes deemed paid with respect to the dividend from T, because S and T are members of the same qualified group. See section 902(b) and §1.902-1(a)(3). The dividend is subpart F income of S that is taxable to P and X.