Assumptions
1. All amounts in U.S. dollars
2. Capital gains taxed at 15%
3. Foreign dividend is taxed at 15% [Target CFC is a qualified foreign corp. - see Sec. 1(h)(11)(C) and Notice 2003-69]
4. Seller has no other income
5. No foreign taxes are paid on the sale
6. Gain on 338 election is all subpart F income which is taxed at 35% (Notice 2004-70)

Section 902 deemed paid foreign taxes - Not applicable to individual shareholders

Foreign Tax Credit limitation - Not applicable (no foreign taxes paid or deemed paid)

Worldwide Income = 1,000
Tax on subpart F income = 228 (650 X 35%)
Tax on sec. 1248 gain = 30 (200 X 15%)
Tax on capital gain = 35 (150 X 15%)
Total tentative U.S. tax = 281

Tentative U.S. tax = 281
Less: Lesser of foreign taxes deemed paid or FTC limitation --
Net U.S. tax due = 281

HUNDREDS of additional charts at www.andrewmitchel.com