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Tracking Tax News, You Need to Know

IRS Plans To Extend Phase-In Period for Section 871(m) Regulations

The Internal Revenue Service (IRS) plans to extend the phase-in period of the application of certain provisions under Section 871(m) through 2024, according to a notice. The IRS will revise the effective date for rules under Section 871 and will receive additional comments related to Section 871(m) in the meantime. The notice states that the IRS intends to provide sufficient time for taxpayers to implement any changes to the regulations. Section 871(m) regulations include final rules relating to dividend equivalents under Section 871(m), Section 1441, Section 1461 and Section 1473.

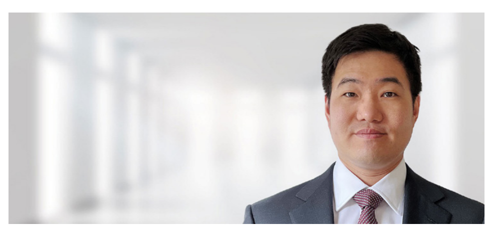
Tax Foundation Expects U.S. Is Unlikely To Adopt Pillar One of Global Tax Deal

In response to a public consultation announced by the Organization for Economic Cooperation and Development (OECD) on Pillar One of the global tax deal, Tax Foundation said the United States appears unlikely to adopt Pillar One due to the high bar for approving international treaties in the Senate. The group also cited Senate Republicans' opposition to the deal. Nearly 140 countries reached a tax deal on a plan to reallocate a portion of the profits of the world's largest multinationals, known as Pillar One. The deal will only be enforced if a critical mass of countries ratifies it, but no such majority will be possible without the United States, Tax Foundation noted.

Court Rejects Challenge to IRS Foreign Account Streamlining

The U.S. Court of Federal Claims rejected a challenge to the application of an IRS program for promoting voluntary disclosure of foreign accounts and resolving penalties. Executors of an estate entered the IRS' streamlined procedures program and paid a small amount of offshore penalty. The Court rejected the estate's argument that the government entered into a contract with the estate and breached the contract by asserting Foreign Bank and Financial Accounts reporting penalties far above the agreed amount based on a theory that the estate willfully violated the reporting obligations.

Christopher C. Scarpa
215.564.8106 | cscarpa@stradley.com



Jin Park
212.812.4140 | jpark@stradley.com