

Tax Insights | September 14, 2022  
**Tracking Tax News,  
You Need to Know**



**Treasury Plans FATCA Guidance To Help Foreign Residents and Banks**

The Treasury Department [plans](#) to issue guidance that would aid foreign residents and foreign banks in complying with the Foreign Account Tax Compliance Act (FATCA). The department will develop and publish guidance that would indicate that as long as banks take certain steps, the U.S. government won't consider them to be significantly non-compliant with their reporting obligations solely because of a failure to report the taxpayer identification numbers. FATCA requires non-U.S. banks to report information to the U.S. on accounts held by U.S. citizens.

**Fifth Circuit Says Tax Refund Improper**

The U.S. Court of Appeals for the Fifth Circuit [reversed](#) the Southern District of Texas' ruling, which held for a taxpayer who claimed a tax refund on additional taxes paid to the IRS over a partnership. The IRS assessed additional taxes on partnerships owned by a taxpayer who argued that the assessment was improper because it was untimely under Section 6501. The Fifth Circuit noted that Section 7422 barred district courts from having jurisdiction over refund actions premised by Section 6501's time limits.

**Foreign Tax Credit Rule in Case Defended by Government**

The government defended a regulation blocking FedEx from claiming hundreds of millions of dollars in foreign tax credit in a federal [court](#). The U.S. government responded to FedEx's request for the court to deem the international tax regime set up in the Tax Cuts and Jobs Act (TCJA) invalid. FedEx argued that the Treasury Department's rules implementing Section 965's transition tax, which was created under TCJA, replaced the TCJA's text. The government said that Section 965 itself, when read in its statutory context, bars the company's claim to the credits.



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