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Tracking Tax News, You Need to Know



IRS to Issue Guidance on Consolidated Groups

The IRS plans to issue additional guidance on a consolidated group's calculation of its share of certain foreign income, including transactions done outside the group. The additional guidance would supplement proposed [rules](#) issued in December, which would treat companies that are part of a consolidated group as a single entity for purposes of computing their share of Subpart F income. The additional guidance is intended to clarify that companies cannot reduce their share of Subpart F income by simply shifting their ownership of a controlled foreign corporation's stock from one part of the group to another.

OECD Releases Guidance on Global Minimum Tax and GILTI

The Organization for Economic Cooperation and Development (OECD) released technical [guidance](#) on the implementation of a 15% global minimum tax on multinational enterprises, including a clarification on the application of global intangible low-tax income (GILTI). The guidance also discusses the scope of the global minimum tax, application definitions, taxable income calculations and treatment. The OECD guidance clarifies how GILTI, which is considered a controlled foreign corporation tax regime under the global anti-abuse and base erosion rules, fits within the global minimum tax's design.

Stock Buyback Tax Needs IRS Clarification

A Congressional Research Service (CRS) [report](#) has found that certain issues with regard to the 1% excise tax on stock repurchases by publicly traded corporations need clarification by the IRS and the Treasury Department. The IRS issued interim guidance in December to explain how and when the buyback tax would be collected, excluding certain corporate reorganizations that were not specifically mentioned in the law.



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