

Tax Insights | March 22, 2023
**Tracking Tax News,
You Need to Know**



Accounting Standard Regulator Calls for Detailed Tax Disclosure

The Financial Accounting Standards Board (FASB) released a [plan](#) to require businesses to give a detailed breakdown of the income taxes they pay. Every quarter, companies would have to disclose the year-to-date amount of income taxes they paid to state, federal and foreign authorities, with even more details required in annual reports. Comments on the plan are due by May 30, and the FASB will decide when or if any new requirements would become mandatory after reviewing feedback.

Senators Urge Treasury To Make Ownership Info More Accessible

A bipartisan group of U.S. senators [asked](#) the Treasury Department to make it easier for law-enforcement officials and others to access companies' ownership information when necessary. In the letter, the senators expressed concerns related to access to beneficial ownership information, such as the identity of companies' owners, that U.S. and foreign companies need to disclose beginning in 2024. The disclosure requirement is intended to crack down on money laundering by anonymous shell companies.

Tax Court Disallows Passthrough Deductions of LLC Owners

The U.S. Tax Court [denied](#) a taxpayer's claim of passthrough loss and net operating loss deductions from worthless debt because they failed to prove that the company, an LLC, had bona fide debt. The LLC made advances to a corporation on the alleged debt, which constituted capital contribution rather than bona fide debt. The Tax Court also held that, even if some portion of these advances constituted debt, that debt was extinguished when all loans from shareholders were converted to paid-in capital.



[Christopher C. Scarpa](#)

215.564.8106 | cscarpa@stradley.com



[Jin Park](#)

212.812.4140 | jpark@stradley.com