

1 May 2020

# Global Tax Alert

## Report on recent US international tax developments - 1 May 2020

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The United States (US) Senate will reconvene next week with the House planning to return to session the week of 11 May, leaving the timing of a fourth major congressional bill to respond to the coronavirus uncertain. Congressional Republicans and Democrats meanwhile are drawing lines on what must – or will not – be included in the next COVID-19 bill, which could top US\$2 trillion or more.

The full House Ways and Means Committee and Treasury Secretary Steven Mnuchin held a phone meeting on 29 April during which they discussed a potential tax package for the next CARES 2/COVID 4 bill that could take shape in the coming weeks. Committee Chairman Richard Neal said Democrats' concerns include: "extremely small businesses' access to Paycheck Protection Program (PPP) money; the quick deadline for certain economic impact payment recipients with dependents to provide their updated information to the IRS; and the need for cities and states to receive federal funds and flexibility with that assistance." Chairman Neal also reportedly urged Secretary Mnuchin to expand the Employee Retention Credit amid questions about how the benefit will apply.

Senate Majority Leader Mitch McConnell continues to be wary of what he views as unfettered COVID-19 stimulus funding, although conceding there will be a state and local component in the next coronavirus bill. The Majority Leader is generally concerned that Congress will act too fast and spend too broadly, thereby unnecessarily adding to the deficit.

The Internal Revenue Service (IRS) this week updated its *Foreign Account Tax Compliance Act* (FATCA) Frequently Asked Questions (FAQs) with regard to FATCA certifications due on 1 July 2020. The IRS will now grant an automatic extension of time to submit a FATCA certification for an entity that has a due date of 1 July 2020 to 15 December 2020, without the need to file an extension request. The IRS is also providing an extension for Model I IGA jurisdictions to provide their 2019 FATCA data to the US Competent Authority, extending the due date to 31 December 2020.

For additional information with respect to this Alert, please contact the following:

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