

Report on recent US international tax developments - 12 June 2020

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United States (US) Senate Republicans reportedly are not planning to take up the next coronavirus stimulus package until the end of July, following the two-week Fourth of July recess. Senate Majority Leader Mitch McConnell was quoted as telling his caucus on 9 June that he considers the work period following the 4 July recess – which extends from 20 July to 7 August – as the period during which the Senate should consider and pass the next installment of COVID-19 legislation.

White House National Economic Council Director Larry Kudlow also this week said during a cable news interview that the next round of coronavirus stimulus negotiations would begin “in earnest” after Independence Day. Kudlow said that President Trump remains interested in tax incentives and other assistance to companies that return their foreign operations to the US. Last month, President Trump suggested that businesses that manufacture products outside the US could face additional taxes, although he did not mention any specifics.

The Internal Revenue Service this week issued Notice 2020-47, requesting recommendations from the public for guidance projects to be included in the 2020-2021 Priority Guidance Plan. Recommendations are requested to be submitted by 22 July 2020, although suggestions will be accepted anytime during the year.

The US Trade Representative recently released four chapters of the uniform regulations necessary for understanding implementation of key provisions within the US-Mexico-Canada Free Trade Agreement (USMCA). The USMCA is set to take effect on 1 July 2020. The regulations, trilaterally agreed, reflect US Customs and Border Protection's USMCA Interim Implementation Instructions, with the bulk of the

information covering the interpretation, application and administration of rules of origin, as well as providing increased insight into the changes that USMCA enacts, especially for the automotive industry. See EY Global Tax Alert, [*USTR publishes USMCA Uniform Regulations Chapters as trade prepares for 1 July Entry into Force*](#), dated 11 June 2020 for details.

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