

Report on recent US international tax developments - 20 November 2020

NEW! EY Tax News Update: Global Edition

EY's new Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

A senior Internal Revenue Service (IRS) official this week said the Government hopes to release a revenue procedure by the end of the year on the interaction of the Global Intangible Low-taxed Income (GILTI) provision and a controlled foreign corporation's (CFC) change of accounting method. The United States (US) Treasury and the IRS had indicated in the final GILTI regulations (issued in June 2019) that they planned to issue a revenue procedure "further expanding the availability of automatic consent for depreciation changes and updating the terms and conditions in ... Rev. Proc. 2015-13 (related to the source, separate limitation classification, and character of Section 481(a) adjustments) to take into account Section 951A." Another IRS official was quoted as saying the future revenue procedure would also clarify that an Internal Revenue Code¹ Section 481(a) adjustment is an increase or decrease to tested income since it is an increase or decrease to CFC income.

The official also said final regulations on the aggregate treatment of partnerships for subpart f purposes are on the horizon, and that the final rules could be accompanied by proposed rules on related passive foreign investment company issues. The IRS is also reportedly working on a Section 367(d) project that would address issues regarding intangible property that previously was transferred overseas and now brought back to the US. A new international tax project on Section 864(f) on the election to allocate interest on a worldwide basis is also part of the IRS's 2021 priority guidance plan that was released this week.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2020 EYGM Limited.
All Rights Reserved.

EYG no. 008032-20GbI

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com