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19 January 2021

Americas Tax Roundup

Latest news – Americas

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[US President-elect Biden announces \\$1.9 trillion 'American Rescue Plan'](#)

On 14 January, US President-elect Biden announced a \$1.9 trillion "American Rescue Plan," the first step in a proposed two-step plan of rescue and recovery. The plan includes more than \$400 billion to combat the pandemic through a national vaccination program, increased testing, and tracing. It also includes funding for schools, state and local governments, individuals, small businesses, and communities. Tax provisions are limited to the childcare credit, earned income tax credit (EITC), and child tax credit expansions long sought by Democrats.

[USTR announces findings in investigations on DSTs adopted by India, Italy, Turkey; suspends punitive tariff actions on French origin goods](#)

The US Trade Representative (USTR) has released the findings in its investigations of the Digital Services Tax (DST) regimes adopted by India, Italy, and Turkey. Although the USTR determined each DST to be discriminatory against US companies, it has announced no specific actions to be taken at this time. The USTR also announced the suspension of punitive tariffs set to take effect on certain French origin goods in relation to the investigation of France's DST. US companies that import goods from these jurisdictions should monitor the incoming Biden Administration's approach and any further USTR investigations and actions.

[US announces COVID-19 test requirement prior to international air travel into the US](#)

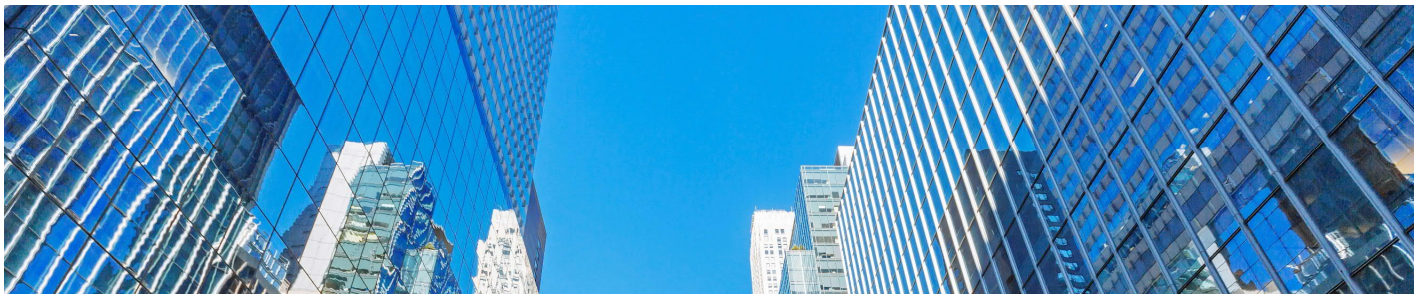
The US Centers for Disease Control and Prevention (CDC) has announced a new mandatory requirement in which all travelers flying into the US from abroad must have a negative COVID-19 test procured within 72 hours prior to their departure. This will come into effect on 26 January.

[Canada announces new negative COVID-19 test requirement prior to air travel](#)

The Canadian government has announced the implementation of a new mandatory requirement in which all travelers flying into Canada from abroad must have a negative result for a COVID-19 test prior to their scheduled departure to Canada. The negative COVID test must have been performed no more than 72 hours before boarding an aircraft to Canada and must be a polymerase chain reaction (PCR) test.

[Canada: Québec eliminates QST ITR restrictions for large businesses](#)

Effective 1 January 2021, Québec has eliminated the restrictions applicable to large businesses on obtaining an input tax refund (ITR) for Québec sales tax (QST). Accordingly, affected large businesses must once again update their procedures and systems as of 1 January 2021 and increase the rate of the ITRs they claim regarding restricted expenses from 75% to 100%.



This week's tax treaty news in the Americas

- ▶ Peru and Japan: tax treaty enters into force on 29 January 2021

Upcoming webcasts

[BorderCrossings: Latest transfer pricing \(TP\) news about India and US-India TP controversy \(28 January\)](#)

Join us as Ernst & Young LLP (US) and Ernst & Young LLP (India) transfer pricing professionals who have been involved in the US-India competent authority negotiations over the past several years, provide an update on the overall US-India tax authority relationship. They'll also discuss results of the 2020 meetings between the two governments.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 15 January 2021](#)

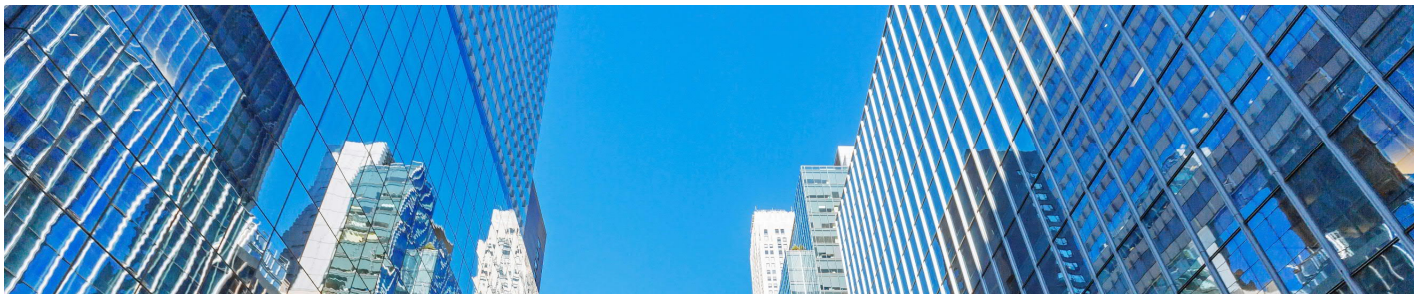
EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: US President-elect Joe Biden announces \$1.9 trillion "American Rescue Plan;" Incoming US Senate Finance Committee Chairman Ron Wyden details economic and tax priorities; IRS guidance on Section 864(f) worldwide interest expense allocation a top priority in 2021; USTR announces investigation findings re Digital Service Taxes in Austria, Spain, and United Kingdom.

You can register for this weekly podcast on iTunes [here](#).

This week's EY Global Tax Alerts

Global Tax Alerts

- ▶ [Report on recent US international tax developments - 15 January 2021](#)
- ▶ [Canada: Québec eliminates QST ITR restrictions for large businesses](#)
- ▶ [Brazilian Superior Court of Justice addresses whether technical service fees are subject to withholding tax under treaty with Spain](#)
- ▶ [US: New final regulations address application of Section 163\(j\) limitation to CFCs and partnerships, while reserving on certain provisions](#)
- ▶ [PE Watch: Latest developments and trends, January 2021](#)
- ▶ [European Commission launches consultation on EU digital levy](#)
- ▶ [Poland introduces new obligation to publish reports on tax strategy](#)
- ▶ [Kenya enacts significant tax measures for 2021](#)
- ▶ [Luxembourg Tax Authorities issue guidance on interest limitation rules](#)
- ▶ [Nigeria's Government considers Petroleum Industry Bill 2020, a new framework for the oil and gas sector](#)



Human Capital Alerts

- ▶ New COVID-19 test requirement prior to international air travel to the United States discussed
- ▶ Canada announces new negative COVID-19 test requirement prior to air travel
- ▶ France introduces new tax and social security measures for 2021
- ▶ Hong Kong proposes salaries tax concession for carried interest

Indirect Alerts

- ▶ USTR announces findings in Section 301 investigations on DSTs adopted by India, Italy, Turkey, suspends punitive tariff actions on French origin goods
- ▶ Italian Government announces deferrals for DST payments for 2020
- ▶ Dutch Government releases decree on fixed establishments for VAT purposes

EY Industry and Tax Services publications

Industries

Banking & Capital Markets

- ▶ Six strategic levers to optimize long-term cost transformation

Consumer Products & Retail

- ▶ How GBS can drive digital transformations in the wider organization

Oil & Gas

- ▶ How tech will enable the energy transition and purpose-led consumption
- ▶ Can you reshape as fast as the future does? While the world moves to decarbonize, oil and gas companies are hampered by cumbersome legacy systems

Health & Life Sciences

- ▶ How the pandemic has changed the rules for life sciences deals

Technology, Media & Entertainment, and Telecommunications

- ▶ How TMT companies are transforming the tax function

Services

People and workforce

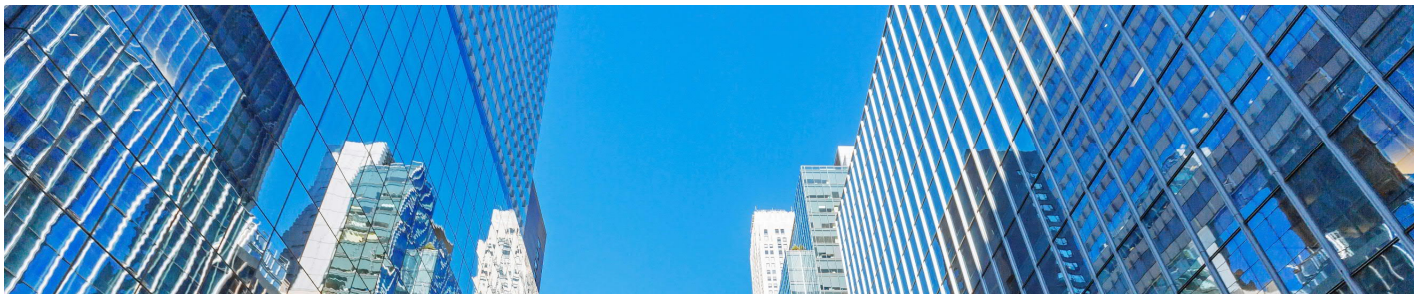
- ▶ Why remote working is the way forward
- ▶ How COVID-19 is disrupting immigration policies and worker mobility: a tracker

Consulting

- ▶ How to minimize risk through data disposition
- ▶ How trust accelerates transformation

Comments

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