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29 March 2021

Americas Tax Roundup

Latest news – Americas

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[US Senate Finance Committee holds international tax hearing](#)

The US Senate Finance Committee on 25 March 2021 held an international tax hearing that highlighted the opposing positions of congressional Democrats, who favor a dramatic overhaul of the international tax provisions in the Tax Cuts and Jobs Act (TCJA), and congressional Republicans and the business community. Ahead of the hearing, the Congressional Joint Committee on Taxation released a [document](#) that discussed the legal and economic background of US taxation of cross-border activity, with particular attention on provisions newly enacted or substantially revised in the TCJA.

[Colombia: Commission of Experts on Tax Expenditures/Benefits issues recommendations for Colombian tax system](#)

On 17 March 2021, the Colombian Government released [the report](#) prepared by the Commission of Experts on Tax Expenditures/Benefits (the Commission). The report is key to the tax reform proposal that the Colombian Executive Power has announced it will send to the Congress shortly. The Commission suggests increasing certain tax rates and reducing the number of tax exemptions.

[Argentina enacts tax incentives and voluntary disclosure program to promote construction and access to housing](#)

Argentina enacted Law 27,613, which establishes a promotional regime for construction. The regime includes tax incentives for construction and a voluntary disclosure program for local and foreign currency to be invested in the development of real estate projects in Argentina.

[Costa Rica's Ministry of Foreign Trade and Ministry of Finance issue regulations for registering for the free trade zone regime and as a Customs Public Service Assistant](#)

Costa Rica's Ministry of Foreign Trade and Ministry of Finance of Costa Rica published a decree that contains regulations that simplify the registration process for taxpayers that want to use the free trade zone regime or become a Customs Public Service Assistant. The decree is effective 18 April 2021.

[Curaçao publishes guidelines on territorial tax system](#)

Curaçao published a national decree on the territorial tax system that replaced the worldwide tax system on 1 January 2020. Under the territorial tax system, only benefits attributed to a domestic enterprise are included in the taxable base. The decree contains a definition of benefits from a domestic enterprise and provides guidelines for determining the benefits obtained from a domestic enterprise. The Decree is retroactively effective to 1 January 2020.



[Canada: Ontario budget 2021-22 discussed](#)

Ontario Finance Minister Peter Bethlenfalvy tabled the province's fiscal 2021-22 budget on 24 March. The budget contains some tax measures affecting individuals and corporations but contains no new taxes and no tax increases. The minister anticipates a deficit of \$33.1 billion for 2021-22 and projects deficits for each of the next seven years.

Upcoming webcasts

[Indirect Tax Live: Three indirect tax topics vital for global businesses \(30 March\)](#)

EY will host the latest in our series of global webcasts focusing on hot topics in indirect taxation. In this webcast, we will explore three areas vital for global businesses: (1) sustainability taxation, including new taxes on carbon and plastic and the opportunities for incentives and funding; (2) the new global trade landscape, following a period of trade disruption and the recent adoption of new free trade agreements and alliances; and (3) the major value-added tax changes related to e-commerce in the European Union coming into effect on 1 July 2021.

[Why the tax controversy department of the future should be built now \(8 April\)](#)

According to the EY survey, businesses of all sizes, but especially the very largest, have not fully adjusted to ongoing, dramatic changes in tax authority scrutiny of their affairs. Looking forward, a coming crescendo of tax enforcement change is building. Concerns about the efficacy of untested dispute resolution processes related to potential new ways to tax cross-border activity may add to future risks.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 26 March 2021](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ US Senate Finance Committee holds hearing on international taxation
- ▶ US, 18 other jurisdictions to participate in OECD ICAP
- ▶ IRS releases practice unit on Section 965 transition tax

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

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments - 26 March 2021](#)
- ▶ [Curaçao publishes guidelines on territorial tax system](#)
- ▶ [Argentina enacts tax incentives and voluntary disclosure program to promote construction and access to housing](#)
- ▶ [Canada: Ontario issues budget 2021-22](#)
- ▶ [US Senate Finance holds International Tax Hearing](#)



Other Global Tax Alerts

- ▶ Irish Department of Finance releases public consultation on application of the Authorised OECD Approach in Ireland
- ▶ EU adopts tax transparency rules for digital platforms (DAC7)
- ▶ German Government agrees on draft ATAD implementation law
- ▶ Belgian Court of Appeal issues decisions on tax abuse – application of the CJEU Danish cases
- ▶ German Government agrees on draft bill introducing “check-the-box” elections for partnerships and further changes
- ▶ Spanish Supreme Court issues favorable decisions on reclaims by non-Spanish sovereign funds
- ▶ Luxembourg updates Mutual Agreement Procedure
- ▶ Luxembourg: Protocol to the Double Tax Treaty with Russia has entered into force
- ▶ Dutch Government releases legislative proposal introducing withholding tax on dividend payments to low-taxed jurisdictions, hybrid entities or in certain abusive situations as of 2024
- ▶ Polish Minister of Finance signs decree deferring deadline for settlement of 2020 CIT liability and filing of 2020 final CIT returns

OECD Alerts

- ▶ OECD Forum on Tax Administration publishes jurisdictions currently participating in the International Compliance Assurance Programme (ICAP)

Transfer Pricing Alerts

- ▶ Greece's Tax Authority issues guidance on COVID-19 and Transfer Pricing

Human Capital Alerts

- ▶ Extended delay in effective and transition dates of US Department of Labor's high-skilled wage rule discussed

Indirect Tax Alerts

- ▶ Costa Rica's Ministry of Foreign Trade and Ministry of Finance issue regulations for registering for the free trade zone regime and as a Customs Public Service Assistant
- ▶ Cyprus Tax Tribunal rules card payment systems services are VAT exempt



EY Industry and Tax Services publications

Industries

Government & Public Sector

- ▶ [Four ways governments can use data to transform outcomes](#)

Media & Entertainment

- ▶ [How a billion screens can turn India into an M&E powerhouse](#)

Oil & Gas

- ▶ [How Q4 2020 earnings calls explored the challenges of a historic year](#)

Technology

- ▶ [Five major trends which will underpin another decade of digital innovation](#)

Services

Consulting

- ▶ [Why your relentless customer focus isn't delivering enough value](#)
- ▶ [How a digital foundation is setting the edge for new market leaders](#)

People and workforce

- ▶ [How employers and employees are envisioning the reimaged workplace](#)

Tax

- ▶ [Can the OECD head off unilateralism in taxing the digital economy](#)

Issues

Risk

- ▶ [EY Board Agenda 2021: five priorities for boards to shape the organization's strategy](#)

Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: globaltaxnewsupdatehelp@ey.com.



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