

# Americas Tax Roundup

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## Latest news – Americas

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### [US Treasury releases President's plan to overhaul corporate tax system](#)

On 7 April 2021, the US Treasury Department released President Joe Biden's "[Made in America Tax Plan](#)." The plan would implement a series of corporate tax reforms to address concerns about profit shifting and offshoring incentives and to level the playing field between domestic and foreign corporations. Those reforms include raising the corporate income tax rate to 28%, strengthening the global minimum tax for US multinational corporations, and reducing incentives for foreign jurisdictions to maintain ultra-low corporate tax rates by encouraging global adoption of robust minimum taxes.

### [US: Senators Wyden, Brown and Warner release international tax framework](#)

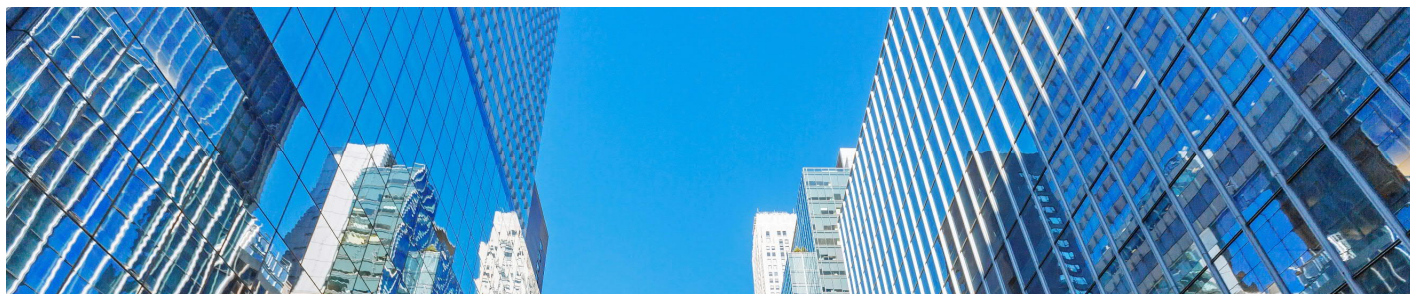
Senate Finance Committee Chairman Ron Wyden (D-OR) and Senators Sherrod Brown (D-OH) and Mark Warner (D-VA) on 5 April 2021 released "Overhauling International Taxation: A framework to invest in the American people by ensuring multinational corporations pay their fair share," which focuses on changes to the 2017 Tax Cuts and Jobs Act's international provisions on global intangible low-taxed income (GILTI), foreign-derived intangible income (FDII), and the base erosion and anti-abuse tax (BEAT). The nine-page document leaves several policy options undetermined, does not include legislative language, and in some ways suggests alternative approaches to President Biden's proposed Made in America Tax Plan's international changes, which also leaves many details unspecified.

### [Costa Rica's Tax Administration publishes resolution on Advance Pricing Agreements](#)

In Resolution DGT-R-14-2021, the Costa Rican Tax Administration provides the procedures for a new program for Advance Pricing Agreements. The program allows taxpayers to submit a request with the Tax Administration to enter into an agreement that establishes the taxpayer's transfer prices for transactions with related entities. The Resolution was published in the Official Gazette on 24 March 2021, and is effective as of that date.

### [Peruvian Tax Court concludes income received by a silent partner in a silent partnership will be treated as dividends](#)

On 2 April 2021, the Peruvian Tax Court published, in the Official Gazette, Resolution 02398-11-2021, which establishes that income distributed to the silent partner in a silent partnership will be treated as dividends. Therefore, such dividends will not be subject to withholding tax if the silent partner is a Peruvian entity, and will be treated as passive income subject to withholding tax in Peru if the silent partner is not a Peruvian entity.



#### [Canada: Quebec releases list of transactions for mandatory disclosure](#)

Quebec published the first installment of the long-awaited list of transactions for which mandatory disclosure is required under Quebec Bill 42, An Act to give effect to fiscal measures announced in the Budget Speech delivered on 21 March 2019 and to various other measures, in the Quebec Gazette. The list, which has been released as part of the Mandatory Transaction Disclosure Regulation, includes four types of transactions: (1) avoidance of the deemed disposal of trust property; (2) payment to a non-treaty country; (3) multiplication of the capital gains deduction; and (4) tax attribute trading.

#### [Canada Revenue Agency issues supplemental guidance on international income tax issues resulting from COVID-19](#)

On 1 April 2021, the Canada Revenue Agency published supplemental guidance on various international income tax issues resulting from COVID-19-related restrictions on travel (the Travel Restrictions). The administrative guidance updates measures announced in 2020 for the Initial Relief Period of 16 March to 30 September 2020. The supplemental guidance is intended to address potential income tax issues resulting from the continued Travel Restrictions and clarify certain income tax reporting obligations for 2020 and 2021.

#### [Uruguay allows certain companies to pay only 50% of their employer pension contributions in light of the COVID-19 pandemic](#)

Uruguay enacted Law No. 19,942, which allows certain companies to pay only 50% of their employer social security pension contributions accrued from 1 January 2021 to 30 June 2021, in light of the COVID-19 pandemic. The Executive Power is expected to issue regulations to implement the provisions of the law soon.

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

Saskatchewan Finance Minister Donna Harpauer tabled the province's fiscal 2021-22 budget on 6 April. The budget contains several tax measures affecting individuals and corporations. The minister anticipates a deficit of \$2.6 billion for 2021-22 and projects deficits for each of the next three years.

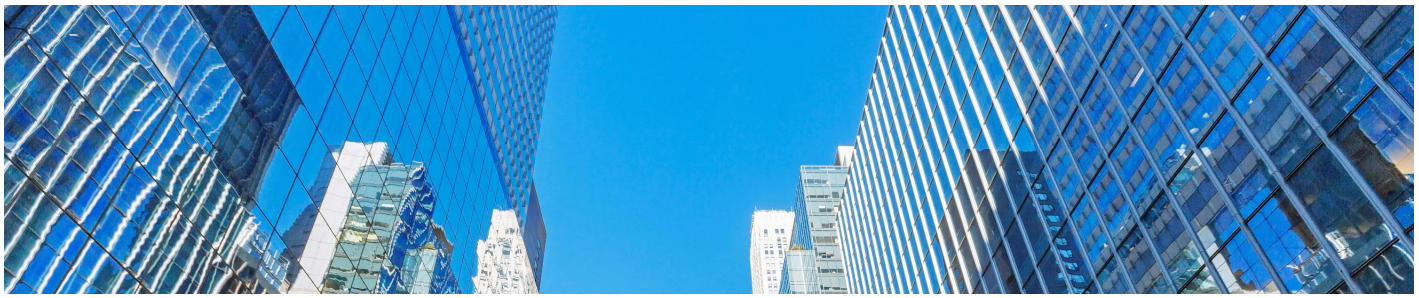
#### [TTC/EY Business Tax Policy Barometer documents business community's views on tax policy and reform](#)

The Business Tax Policy Barometer from The Tax Council (TTC) and EY provides insights on the business community's perceptions on US federal and global business tax reform, as well as other key policy issues. Results from the barometer show that economic recovery remains a top concern for the business community. Scroll through the content to learn what respondents are thinking about issues such as COVID-19 recovery, the Biden tax proposals, the impact of certain provisions in the TCJA, US and global developments that affect multinationals, climate change and carbon pricing.

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## This week's tax treaty news in the Americas

- ▶ Argentina and France: amending protocol to income and capital tax treaty approved by French Senate
- ▶ Canada and Belgium: Dutch synthesized text of the income and capital tax treaty with the modifications made by the Multilateral Convention published by Belgium
- ▶ Ecuador and United States: exchange of information agreement signed



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## Upcoming webcasts

### [Upcoming changes to IRC Section 174: Amortization of research and experimental expenditures \(27 April\)](#)

The 2017 US Tax Cuts and Jobs Act (TCJA) included many provisions that were intended as “revenue raisers” to offset some of the more taxpayer-favorable aspects of the TCJA. One such provision, scheduled to come into effect for tax years beginning on or after 1 January 2022, is the required amortization of what are currently deductible research and experimental (R&E) expenditures (over five years for domestic R&E, 15 years for foreign). With 2022 looming closer, taxpayers are newly focused on both the implications of the TCJA changes to IRC Section 174 as well as potential planning.

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 9 April 2021](#)

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

- ▶ US Treasury releases report on Biden Administration's Made in America Tax Plan
- ▶ US Senate Finance Committee Chairman releases framework for international taxation
- ▶ US presents OECD BEPS 2.0 Pillar One proposal to steering group of Inclusive Framework on BEPS
- ▶ UN Tax Subcommittee releases final draft of new digital taxation article for UN Model Treaty

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

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### [Monthly ITTS Washington Dispatch \(March 2021\)](#)

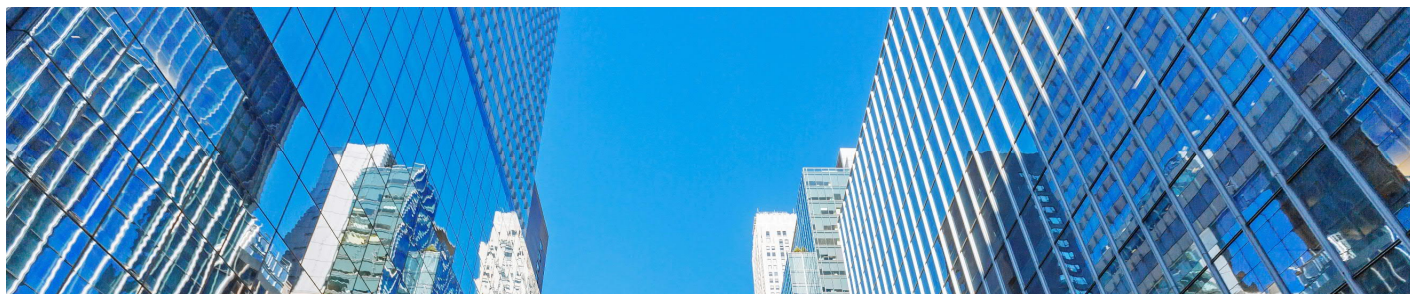
EY's monthly Washington Dispatch podcast summarizes recent developments in US international taxation. Highlights of this month's edition include:

- ▶ President Biden lays out \$2 trillion + infrastructure plan to be paid for with tax increases
- ▶ Senate Finance Committee holds international tax hearing
- ▶ Congressional Democrats introduce international tax legislation
- ▶ President Biden signs \$1.9 trillion American Rescue Plan Act of 2021
- ▶ US, Japan reach agreement on tax treaty arbitration process
- ▶ IRS opens initiative on virtual currency
- ▶ IRS APMA program director discusses taxpayers' treatment of COVID-related costs
- ▶ IRS APMA Program releases annual APA update
- ▶ OECD official floats BEPS 2.0 Pillar Two simplification
- ▶ OECD publishes jurisdictions currently participating in International Compliance Assurance Programme

The Newsletter PDF is available [here](#).

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





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## This week's EY Global Tax Alerts

### Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 9 April 2021](#)
- ▶ [PE Watch: Latest developments and trends, April 2021](#)
- ▶ [Mexico: Government reaches agreement with representatives of labor and business sectors on outsourcing services in Mexico](#)
- ▶ [Canada: Saskatchewan issues budget 2021–22](#)
- ▶ [Canada: Manitoba issues budget 2021–22](#)
- ▶ [Peruvian Tax Court concludes income received by a silent partner in a silent partnership will be treated as dividends](#)
- ▶ [US Treasury releases President's plan to overhaul corporate tax system](#)
- ▶ [Canada Revenue Agency issues supplemental guidance on international income tax issues resulting from COVID-19](#)
- ▶ [Canada: Quebec releases list of transactions for mandatory disclosure](#)
- ▶ [Uruguay allows certain companies to pay only 50% of their employer pension contributions in light of the COVID-19 pandemic](#)
- ▶ [US: Senators Wyden, Brown, Warner release International Tax Framework](#)

### Other Global Tax Alerts

- ▶ [Turkey proposes increase in corporation tax rate](#)
- ▶ [Spanish Government publishes MDR Regulations](#)
- ▶ [Spanish Council of Ministers approves MDR regulations](#)

### Transfer Pricing Alerts

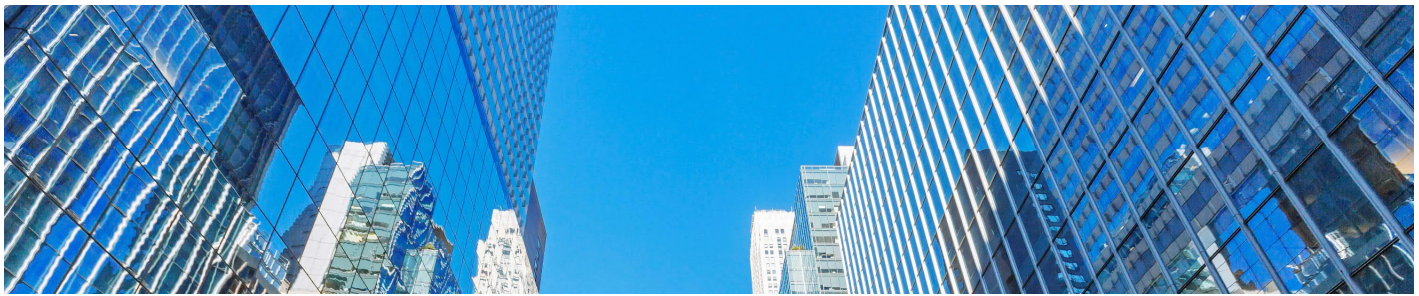
- ▶ [Costa Rica's Tax Administration publishes resolution on Advance Pricing Agreements](#)
- ▶ [IRS issues annual APA report for 2020](#)
- ▶ [UK issues new consultation on transfer pricing documentation](#)

### Human Capital Alerts

- ▶ [US Presidential Proclamation 10052 expired March 31](#)
- ▶ [Singapore announces foreign manpower policy updates](#)
- ▶ [Italy extends period for inbound tax regime applicable to individuals who moved tax residency in Italy before April 30, 2019](#)

### Indirect Tax Alerts

- ▶ [Polish Supreme Court confirms findings of CJEU Danske Bank case are applicable to VAT settlements of Polish branches](#)
- ▶ [Egypt to limit VAT input tax credit on paper invoices](#)



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## EY Industry and Tax Services publications

### Industries

#### Technology

- ▶ [Podcast: How technology will help reframe asset management](#)
- ▶ [How technology execs can help their customers with digital capabilities](#)

#### Health & Life Sciences

- ▶ [Life sciences executives taking longer-view look at M&A strategy](#)

#### Private Equity

- ▶ [How the SPAC shockwave will shake private equity](#)

#### Telecommunications

- ▶ [How telecoms are transformed to build the network of the future](#)
- ▶ [How to adopt a security-by-design approach to telecoms operations](#)
- ▶ [How visibility is getting in the way of your network deployment strategy](#)
- ▶ [How you can leverage resilience as a competitive advantage](#)
- ▶ [How you can optimize network investment for agility](#)
- ▶ [What CSPs can do to extend their market opportunities for telecoms](#)

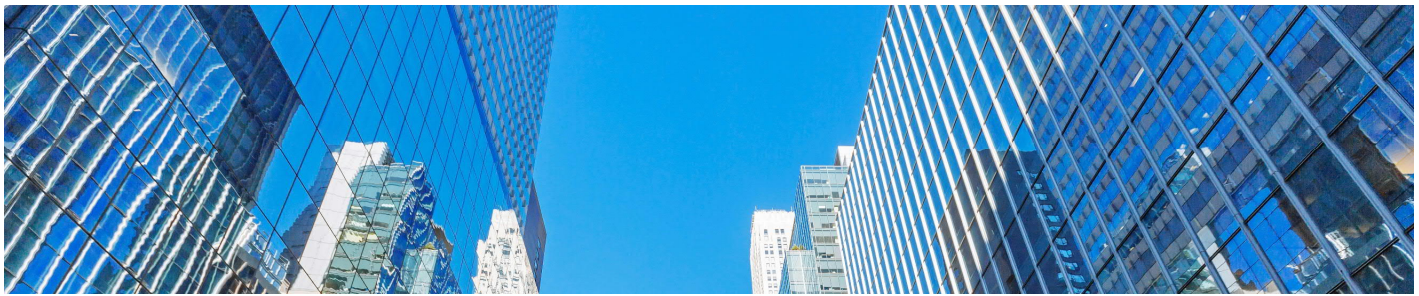
### Services

#### People and workforce

- ▶ [How disruption has reframed the future of work in supply chains](#)
- ▶ [Updated Tracker: How COVID-19 is disrupting immigration policies and worker mobility](#)

### Comments

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