

Global Tax Alert

News from Washington Council Ernst & Young

US Senate Foreign Relations approves protocols to tax treaties

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On 25 June 2019, the United States (US) Senate Foreign Relations Committee approved by voice vote protocols amending US tax treaties with Japan, Luxembourg, Spain and Switzerland.

The four are among tax treaties that have been awaiting action in the Senate for nearly a decade and held up over Senator Rand Paul's concerns over information sharing provisions. Senator Paul was said to have offered an amendment to the Spain protocol to require a higher standard for information sharing, which was rejected. The business meeting was held in a small Committee room in the Capitol and attendance was apparently limited to press and staff, and there was no broadcast.

Foreign Relations Committee Chairman Jim Risch has said the plan is to move rapidly on the treaties and that Senate floor time may be allocated to advance them, though Tax Notes reported that members made no comments regarding the timetable for Senate consideration. The Senate is out of session next week for the Independence Day recess.

The business meeting did not list on the agenda new tax treaties with Chile, Hungary and Poland, which may require reservations to account for enactment of the base erosion and anti-abuse tax (BEAT) in 2017 in the *Tax Cuts and Jobs Act*. The protocols approved on 25 June by the committee are more narrow in scope and unaffected by the BEAT, so no reservations were required for them.

For additional information with respect to this Alert, please contact the following:

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