

12 July 2019

Global Tax Alert

News from Washington Council Ernst & Young

US Senate sets up tax treaty votes for next week

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.

On 11 July 2019, the United States (US) Senate Majority Leader Mitch McConnell announced that the Senate will proceed to consideration of protocols amending tax treaties with Spain, Switzerland, Japan and Luxembourg (in that order) the week of 15 July.

Specifically, the calendar items are:

- ▶ Treaties Cal. #1 Protocol Amending the Tax Convention with Spain
- ▶ Treaties Cal. #2 Protocol Amending Tax Convention with Swiss Confederation
- ▶ Treaties Cal. #3 Protocol Amending Tax Convention with Japan
- ▶ Treaties Cal. #4 Protocol Amending Tax Convention with Luxembourg

The four protocols were approved by the Senate Foreign Relations Committee 25 June. They have been awaiting action in the Senate for nearly a decade and held up over Senator Rand Paul's information sharing concerns, which were reflected in an amendment to the Spain protocol that was defeated in Committee.

Senator Paul has said he will not permit "abbreviated" consideration of the protocols in the full Senate, meaning the chamber will need to overcome some procedural hurdles prior to a vote on ratification (which requires a two-thirds majority of Senators present and voting).

It is unclear whether extended consideration will be required for all four protocols. Senate leaders hope to complete consideration of all four protocols during the week of 15 July; therefore, the expectation is that not all debate time will be utilized.

Foreign Relations has not yet considered the new tax treaties with Chile, Hungary and Poland, which may require reservations to account for enactment of the base erosion anti-abuse tax (BEAT) in 2017 in the *Tax Cuts and Jobs Act*. The four protocols set for Senate votes are narrower 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:

Washington Council Ernst & Young, Washington, DC

- ▶ Any member of the group, at +1 202 293 7474

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.

Washington Council EY

© 2019 EYGM Limited.
All Rights Reserved.

EYG no. 003325-19Gbl

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