

## Report on recent US international tax developments - 28 September 2018

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The US House this week moved forward on the three bills making up "tax reform 2.0." On 27 September, the House approved the *American Innovation Act of 2018* (H.R. 6756) and the *Family Savings Act of 2018* (H.R. 6757). As we go to press on 28 September, the House was expected to approve the third tranche of the phase 2 tax reform, the *Protecting Family and Small Business Tax Cuts of 2018* (H.R. 6760), to make permanent certain *Tax Cuts and Jobs Act* (TCJA) provisions. The Ways and Means Committee divided up the tax reform measures into three bills to increase the chance of passage of at least some of the provisions. The Senate is not expected to bring the bills for a floor vote before the November mid-term elections.

An Internal Revenue Service (IRS or Service) official this week was quoted as saying that the final Global Intangible Low-Taxed Income (GILTI) regulations will be released by June 2019 to enable taxpayers to use the guidance for the entire year. This is the first indication of when the Service plans to finalize the rules. Proposed rules on the interaction of the foreign tax credit regime and GILTI are expected to be released before year-end, the official said.

And an IRS official from the Large Business and International Division this week said the Service plans to establish separate webpages for the major international tax provisions enacted by the 2017 tax reform to provide informal taxpayer guidance. The webpages will follow a similar format that was adopted by the IRS to offer informal information regarding the TCJA's transition tax.

The IRS announced it will be restructuring the Advance Pricing and Mutual Agreement program (APMA) to consolidate resources and improve internal processes. Among the noteworthy changes, all APMA teams will consist of both team leaders and economists to ensure optimal involvement by economists in the process. Unless notified otherwise, taxpayers are to assume that existing cases will continue to be handled by their current APMA team.

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

**Ernst & Young LLP, International Tax Services, Washington, DC**

- ▶ Arlene Fitzpatrick      [arlene.fitzpatrick@ey.com](mailto:arlene.fitzpatrick@ey.com)
- ▶ Joshua Ruland          [joshua.ruland@ey.com](mailto:joshua.ruland@ey.com)

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