

Tax Insights | December 29, 2022

## Tracking Tax News, You Need to Know



### Treasury Issues First Guidance on Book Minimum Tax

The Treasury Department issued initial [guidance](#) on the corporate alternative minimum tax to clarify some details about the new tax. The Treasury Department stated that taxpayers should rely on the guidance until the department releases proposed regulations. Effective Jan. 1, 2023, the corporate alternative minimum tax is imposed at 15% on the income that large companies report on their financial statements if they are not already paying that much. Among other clarifications, the Treasury Department indicated that financial-statement gains resulting from certain kinds of split-offs and other “nonrecognition transactions” will not be counted for purposes of the alternative minimum tax.

### Treasury Issues Guidance on Stock-Buyback Excise Tax

The Treasury Department issued [guidance](#) on the new stock-buyback tax. The new stock-buyback tax imposes a 1% tax on stock repurchases, which includes “economically similar” transactions of a stock buyback, effective Jan. 1, 2023. According to the guidance, among those transactions that will be considered “economically similar” include acquisitive reorganizations, recapitalizing reorganizations under Section 368(a)(1)(E), transferor-corporation reorganizations under Section 368(a)(1)(F), split-offs and certain types of complete liquidations. Among those that will not be considered economically similar include distributions of complete liquidation and dissolution and Section 355 transactions other than split-offs.

### IRS Delays Crypto Broker Reporting Requirement

The Treasury Department and the IRS [delayed](#) the effective date for cryptocurrency brokers reporting client transactions until after the final rules are released. Per the 2021 legislation, crypto brokers would be required to release certain information. Under the new announcement, until the final rules are published, crypto brokers will not be required to report additional information on dispositions of digital assets or file any returns on transfers of digital assets.



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