

Tax Insights | January 25, 2023
**Tracking Tax News,
You Need to Know**



Treasury and IRS Open To Revising Safe Harbor on Book Minimum Tax

The IRS and Treasury Department are working on guidance on the implications of the new minimum tax on book income. The IRS and Treasury Department released [guidance](#) in December on the corporate alternative minimum tax, which must be paid by companies effective Jan. 1, 2023, if they have a three-year average of at least \$1 billion in adjusted profits. The Treasury is open to comments on how to simplify the method to determine whether the companies must pay the minimum tax and is planning to convert the proposals in the notice into formal regulations later this year.

Confusion Remains After Delay of Lower 1099-K Threshold

Although the IRS issued a one-year [delay](#) of the requirement for e-commerce companies to issue tax forms to customers with business transactions above \$600, confusion around the forms during the filing season remains. As a result of the delay, companies will only need to send the forms to the IRS and taxpayers if a customer has more than \$20,000 in payments from more than 200 transactions for this tax filing season. However, some companies may still send forms when customers have between \$600 and \$20,000 of transactions because there's no prohibition against using the lower threshold.

Microsoft Loses Suit Demanding Tax Audit Information

The U.S. District Court for the Western District of Washington [ruled](#) that Microsoft's Freedom of Information Act (FOIA) requests related to the IRS's audits on the company's cost-sharing agreements in the Asia-Pacific region were dismissed. Microsoft made two FOIA requests in 2011 seeking all documents sought by the IRS, and the IRS released more than 91,000 pages. Microsoft filed suit in the district court to demand the IRS to fulfill the requests, arguing that the agency conducted an inadequate search of documents. The opinion said that the IRS's search was reasonable and adequate.



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