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Tracking Tax News, You Need to Know



Treasury Issues Guidance on Book Income Tax for Insurers

The Treasury Department issued new [guidance](#) on the book income minimum tax for the insurance industry. The guidance addresses situations in which the interplay of financial accounting rules and the new corporate alternative minimum tax could harm insurers. The guidance aims to resolve a potential problem related to variable contracts, which are life insurance and annuity contracts where the insurer's obligation depends on the value of assets held in a separate account. The corporate alternative minimum tax disregards unrealized gains and losses on those assets but not the offsetting adjustments to liabilities. Both the unrealized gain or loss and the offsetting change in obligation should be disregarded when determining the income subject to the book tax, the guidance indicated.

IRS Releases Rules on Electronic Filing Requirements

The IRS released final [regulations](#) on electronic filing requirements. The regulations implement changes to strengthen electronic filing requirements that were made under the Taxpayer First Act, authorizing the Treasury Department to issue regulations to reduce the threshold for when taxpayers are required to file returns electronically. For example, if a taxpayer files at least ten information returns in a year, for tax years 2014 and after, taxpayers are required to file electronically.

ABA Comments Beneficial Ownership Info Needs More Confidentiality

The American Bar Association Tax Section [said](#) that the Treasury Department should issue more regulations to afford the confidentiality protections to beneficial ownership information provided to the IRS. In December, the Treasury Department issued a proposed rule on who can access the beneficial ownership information that companies will be required to disclose to the Treasury. In the comment letter, the ABA said that the protection in the proposed rule does not extend to Treasury and IRS employees who receive the beneficial ownership information.



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