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RICs Granted Extension to Pass Foreign Tax Credits to Shareholders

In Private Letter Ruling 201734001 (<https://www.irs.gov/pub/irs-wd/201734001.pdf>), the IRS ruled that the regulated investment companies (RICs) described therein satisfied the requirements for granting a reasonable extension of time to make an election under Section 853 to pass through the benefit of foreign tax credits to their shareholders. (Section references are to the Internal Revenue Code of 1986, as amended.) In the ruling, the tax return preparer of the RICs failed to mark the appropriate checkbox for the election or to attach Form 1118 (Foreign Tax Credit—Corporations) to the tax return for the years for which the election was to be made.

CRS Summarizes Recently Expired Tax Provisions

The Congressional Research Service released a report (https://www.everycrsreport.com/files/20170823_R44925_4b857760daebf94604461ac507b62fad780fa8f8.pdf) providing background information on the 34 temporary individual income tax provisions that expired at the end of 2016.

IRS Modifies Guidance on Recovery of Arbitrage Rebate Overpayments

The IRS released Revenue Procedure 2017-50, 2017-37 IRB (<https://www.irs.gov/pub/irs-drop/rp-17-50.pdf>), which modifies Revenue Procedure 2008-37, 2008-2 (Vol. 1) C.B. 137, to provide guidance to issuers of tax-exempt bonds and other tax-advantaged bonds regarding the time for filing claims for recovery of “overpayments” (as defined in Treasury Regulation Section 1.148-3(i)(1)) of amounts paid to the United States with respect to the arbitrage rebate requirement under Section 148(f) for excess investment earnings, similar payments of penalty in lieu of arbitrage rebate under Section 148(f)(4)(C)(vii) and (viii), and yield reduction payments under Treasury Regulation Section 1.148-5(c). In particular, section 3 of the revenue procedure extends the deadline for filing claims for recovery of such overpayments to two years after (1) the date that is 60 days after the final computation date of the issue to which the payment relates, or (2) with respect to the portion of the overpayment paid more than 60 days after the final computation date, the date that the payment was made to the United States. The revenue procedure applies to claims that are pending or filed with the IRS on or after Aug. 25 for recovery of overpayments of arbitrage rebate, penalty in lieu of arbitrage rebate or yield reduction payments for an issue of bonds. For purposes of the revenue procedure, an issuer that has made a payment after the final computation date for the issue to which the overpayment relates, but prior to Aug. 25, will be deemed to have made the payment on Aug. 25.



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