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IRS Issues Practice Unit on Foreign-Derived Intangible Income

The IRS has issued a practice unit on the deduction available for domestic corporations under Section 250 for foreign-derived intangible income (FDII) and global intangible low-taxed income inclusion (GILTI). (Section references are to the Internal Revenue Code of 1986, as amended.) The 2017 Tax Cuts and Jobs Act added Code Section 250, which generally allows a domestic corporation to claim an annual 37.5% deduction of its FDII and a 50% deduction of the sum of its GILTI and any associated Section 78 gross-up. (See our prior coverage here and here.) The Section 250 deduction is limited if a domestic corporation's taxable income (not taking into account the Section 250 deduction) is less than the sum of its GILTI and FDII. The practice unit goes through a detailed explanation of the section and how to calculate the deductions thereunder.

Delaware Amends Uniform Partnership Act

Delaware has recently amended its Uniform Partnership Act (Act), with changes set to go into effect Aug. 1, 2021. The updates to the Act include: (i) a provision providing a safe harbor for ratifying void or voidable acts taken by a partnership, (ii) revisions to a partner's right to delegate, so that the partner to whom such powers or duties are delegated will not be deemed to have a conflict of interest irrespective of whether the original partner had a conflict of interest, and (iii) enabling a partner who is entitled to obtain information under the Act or a partnership agreement for a purpose reasonably related to the partner's interest as a partner or other stated purpose, to obtain such information as is necessary and essential to achieving that purpose.

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