

Tax Insights | April 13, 2022  
**Tracking Tax News,  
You Need to Know**



### U.S. Federal District Court Invalidates Foreign DRD Temporary Regulations

A federal district court in Colorado has ruled that the Section 245A temporary regulations are invalid because the IRS did not follow the Administrative Procedure Act's notice and comment requirements when it issued them. ([Liberty Global Inc. v US \(DC CO 4/4/2022\)](#)). Under Section 245A, domestic corporations are eligible for a dividend-received deduction (DRD) for the portion of dividends paid to a U.S. shareholder from a controlled foreign corporation. (Section references are to the Internal Revenue Code of 1986, as amended.) While the district court found that the temporary regulations were invalid, the temporary regulations were later finalized. Since the final regulations did not have a retroactive effect, the court's ruling does not affect the final regulations.

### Treasury To Seek Parity on Tax Reporting of Digital Assets

Treasury Secretary Janet Yellen, in a [speech](#) outlining Treasury's digital asset policy, said the department would put information reporting on digital asset transactions on par with other financial instruments, such as stocks and bonds. Yellen emphasized the importance of taxpayers having the information they need to accurately report transactions on digital assets to the IRS. Legislation passed in 2021 as part of the Infrastructure Investment and Jobs Act classified cryptocurrencies as specified securities and, starting in 2023, will require a Form 1099-B filing for cryptocurrency assets, similar to stocks and bonds. (See our prior coverage [here](#) and [here](#).)

### Pennsylvania DOR Issues Tax Newsletter

The Pennsylvania Department of Revenue (DOR) issued its tax [newsletter](#) for February and March, highlighting the department's tax system modernization project, which involves transitioning all business taxes to the Pennsylvania Tax Hub system and requires business entities to register their accounts in myPATH later this year. In the newsletter, the DOR also encouraged taxpayers to use myPATH to file their 2021 state personal income tax returns, which are due April 18.



[Christopher C. Scarpa](#)

215.564.8106 | [cscarpa@stradley.com](mailto:cscarpa@stradley.com)



[Jin Park](#)

212.812.4140 | [jpark@stradley.com](mailto:jpark@stradley.com)

[www.stradley.com](http://www.stradley.com) | Pennsylvania | Washington, DC | New York | New Jersey | Illinois | Delaware

This communication is provided as a general informational service to clients and friends of Stradley Ronon Stevens & Young, LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter. This material may be considered attorney advertising in some states. Please note that the prior results discussed in the material do not guarantee similar outcomes.

