

Tax Insights | June 29, 2022  
**Tracking Tax News,  
You Need to Know**



### **Senate Finance Committee Approves Retirement Bill**

The Senate Finance Committee unanimously approved a bipartisan retirement [bill](#). The Enhancing American Retirement Now Act will be reconciled with the House version of the retirement bill. In the Senate Finance Committee approved version, there is a provision to direct the Treasury Department to modify the regulations to permit an exchange-traded fund (ETF) to be held in the segregated account of a variable insurance contract, effective seven years after the date of enactment.

### **House Republicans Seek To Delay New Foreign Tax Credit Rules**

House Republicans have asked the Treasury Department to delay the implementation of new foreign tax credit regulations, saying the application of the new rules is not yet clear. The Republican members of the House Ways and Means Committee said in a [letter](#) that the Treasury Department had not provided details of which taxes are eligible for the foreign tax credit and which are not. The new rules, which were issued in December and took effect in March, narrow the range of foreign taxes that companies can apply to their U.S. tax bills. Companies have complained that the rules render some taxes ineligible for the credit even though they have been eligible in the past.

### **Supreme Court To Weigh Fines for Not Reporting Overseas Accounts**

The U.S. Supreme Court will review the penalties for failure to file required reports of the foreign bank accounts. The justices said they would hear [arguments](#) from a businessman who was assessed a \$2.72 million penalty for not filing timely reports for five years when he was living in Romania. The IRS concluded that the taxpayer violated the law 272 times, once for each account that was not reported in each of those five years. The taxpayer says he violated the law at most five times, once for each annual report he failed to file. The taxpayer was a dual U.S.-Romanian citizen and was required to file a Report of Foreign Bank and Financial Accounts (FBAR) form during the five tax years at issue in the case. There is a split on the issue among federal appeals courts.

### **NFTs Subject to Sales Tax in Pennsylvania**

Pennsylvania has formally included nonfungible tokens, or NFTs, in its sales tax code. The Department of Revenue added the tokens to an updated taxability [matrix](#) used to determine the sales tax treatment of goods and services. According to the matrix, NFTs will be subject to the state's 6% sales and use tax. NFTs are unique digital assets that serve as certificates of authenticity for works of art, music, tickets and collectibles. Pennsylvania is the first state to release formal written guidance on the taxability of NFTs.

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