

Tax Insights | July 7, 2022
**Tracking Tax News,
You Need to Know**



To Delay BEAT Reporting Provisions to 2025

The Treasury Department and the IRS [delayed](#) a requirement for companies to disclose information under anti-profit-shifting rules by two years. As a result, companies will have to disclose information about qualified derivative payments by Jan. 1, 2025. The reporting provision is part of a 2019 regulation relating to the base erosion anti-abuse tax, or BEAT. The Treasury and the IRS said in the notice that they need additional time to study an issue related to the provision. Qualified derivative payments are payments made to a foreign affiliate that is related to a derivative on which the company recognized a mark-to-market gain or loss.

IRS Proposes Rule To Clarify Foreign Currency Options Treatment

The IRS proposed a [rule](#) on whether foreign currency options should be treated as foreign currency contracts. The proposed rule would treat foreign currency options as contracts, and the options would be required to be revalued each year or “marked to market” under Section 1256.

Tax Breaks Expected for Philadelphia Businesses and Homeowners

The Philadelphia City Council approved a \$5.8 billion city [budget](#) that includes tax cuts in business income and an increase in the homestead exemption to \$80,000. Business income and receipts tax rate on net income will decrease from 6.2% to 5.99%. The wage tax rate would also be reduced to 3.79% for residents and 3.44% for non-residents.



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