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Tracking Tax News You Need to Know



IRS Proposes Regulations on Foreign Currency Gains and Losses

The IRS proposed [rules](#) on how companies' subsidiaries should treat foreign currency gains and losses. The proposed rules clarify how qualified business units of larger companies should handle foreign currency transactions and gains and losses in their taxable income and losses. The rules include an election to treat all items of a qualified business unit as marked items, subject to a loss suspension rule.

Report: IRS Doubles Partnership Return Exams in FY 2023

The IRS increased exams of partnership returns by more than 100 percent in fiscal year 2023, according to its annual financial [report](#). The IRS conducted exams for 6,709 partnerships in fiscal year 2023 while still missing its goal of starting exams for almost 9,000 partnerships a year. The recently enacted Inflation Reduction Act gave the IRS funding to go after large, complex partnerships.

Ninth Circuit to Review Tax Court's Decision on Tax Offset

The U.S. Court of Appeals for the Ninth Circuit is set to review whether a company president should be allowed to offset taxes on income from his manufacturing business with losses from his yacht business. In *Rogerson v. Commissioner of Internal Revenue*, the U.S. Tax Court [disallowed](#) the offset, ruling the taxpayer misreported his business activities on the tax return as his manufacturing business was active, but his involvement in the yacht business was passive. The taxpayer appealed the decision, arguing that the IRS and the Tax Court should apply an annual hours-based test to determine whether an activity is passive or not.



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