

Stradley Ronon Stevens & Young, LLP
2005 Market Street
Suite 2600
Philadelphia, PA 19103-7018
215.564.8000 Telephone
215.564.8120 Facsimile
www.stradley.com

With other offices in:
Washington, D.C.
New York
New Jersey
Illinois
Delaware



www.meritas.org

*Our firm is a member of Meritas.
With 189 top-ranking law firms
spanning 97 countries, Meritas
delivers exceptional legal knowledge,
personal attention and proven
value to clients worldwide.*

Information contained in this publication should not be construed as legal advice or opinion or as a substitute for the advice of counsel. 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.

Copyright © 2020
Stradley Ronon Stevens & Young, LLP
All rights reserved.

Please click [here](#) to visit our **COVID-19 RESOURCE CENTER**

IRS Issues Proposed Reliance Regulations on Nondeductible Penalties and Fines

The IRS has issued [proposed reliance regulations](#) (REG-104591-18) that provide guidance on the nondeductible penalties and fines provisions under Section 162(f) and on the required information reporting for those penalties and fines under Section 6050X. (Section references are to the Internal Revenue Code of 1986, as amended.)

IRS Finalizes Corporation Related Party Debt Regulations

The IRS finalized, without substantive change, [regulations](#) (TD 9897) that treat certain indebtedness as stock that is issued by a corporation to a controlling shareholder in a distribution or similar transaction.

IRS Updates FATCA FAQs on Qualified Derivatives Dealers

The IRS added two [frequently asked questions \(FAQs\)](#) to its series of FATCA FAQs regarding qualified derivatives dealers.

IRS Releases New Draft Version of Allocation Schedule for Aggregate Form 941 Filers

The IRS has issued a new draft version of [Schedule R, Allocation Schedule for Aggregate Form 941 Filers](#). The draft version of Schedule R reflects recent COVID-19 legislation provisions, including the employer's credit for qualified sick and family leave wages, the employee retention credit, and the deferral of employer Social Security tax that would otherwise be paid between March 27, 2020, and Dec., 31, 2020.

IRS Releases FAQs on Partnership Reporting for Disregarded Entities

The IRS has clarified, in [frequently asked questions \(FAQs\)](#) posted on its website, how partnerships should report ownership interests held by disregarded entities and has provided examples of how to report some basis adjustments.

IRS Issues Transfer Pricing Best Practices FAQs

The IRS issued a series of [frequently asked questions \(FAQs\)](#) concerning the best practices and common mistakes in preparing transfer pricing documentation.

IRS Large Business & International Division Adds New TCJA Compliance Campaign

The IRS Large Business & International Division (LB&I) has added a [new compliance campaign](#) that will examine the 2017 Tax Cuts and Jobs Act (TCJA) issues. This new campaign will examine TCJA issues on a select pool of returns and then share what is learned by these examinations throughout the IRS. According to its website, LB&I will also consider the impact of the Coronavirus Aid, Relief and Economic Security Act (CARES Act) on this pool of returns.

According to LB&I, the goal of this campaign is to identify transactions, restructuring and technical issues to better understand taxpayer behavior under the TCJA and, besides examinations, the campaign may include soft letters, outreach, new practice units and development of future issue-based campaigns.

Philadelphia Provides Guidance on Refund of U&O Tax

Philadelphia taxpayers who filed and pre-paid Philadelphia use and occupancy (U&O) tax may obtain a refund of tax attributable to the period during which their business was closed due to the COVID-19 emergency. See, ([How to receive a refund for pre-paid U&O Tax](#)). A taxpayer must first file an amendment to their annual or monthly return and then complete and submit a refund petition. Landlords who receive a refund of U&O tax on behalf of their tenants are required to reimburse the tenants for the full amount received on their behalf.



Christopher C. Scarpa



Jacquelyn Gordon

For more information, contact Christopher C. Scarpa at 215.564.8106 or cscarpa@stradley.com or Jacquelyn Gordon at 215.564.8176 or jgordon@stradley.com.