

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

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SIFMA Requests Extension for Effective Date of PTP Regulations

The Securities Industry and Financial Markets Association (SIFMA), in a [letter](#) to the U.S. Department of the Treasury and IRS, has requested an extended effective date under the final section 1446(f) regulations (T.D. 9926) regarding withholding requirements for foreign persons who sell or transfer their interest in a partnership conducting a U.S. trade or business. (See our prior coverage [here](#).) Additionally, the letter requests that Treasury and the IRS (i) confirm that Section 1446(f) withholding on publicly traded partnership (PTP) distributions is not required where the PTP does not issue a qualified notice or issues a deficient qualified notice, (ii) provide a presumption for brokers that an entity that is organized outside the U.S. is not a PTP, absent knowledge to the contrary, such as the broker receiving a qualified notice from the entity, (iii) clarification that Section 1446(f) does not apply to securities lending transactions and collateral arrangements, (iv) related changes to applicable tax forms, and (v) clarification on reporting issues. (Section references are to the Internal Revenue Code of 1986, as amended.)

IRS Permits Section 338 Election Forms to Be Faxed

The IRS [announced](#) that it will now accept taxpayers' completed Form 8023, Elections Under Section 338 for Corporations Making Qualified Stock Purchases, via fax. Form 8023 still may be mailed to the IRS at the address provided in the instructions to the form.

Philadelphia DOR Provides U&O Relief to Restaurants and Bars

The City of Philadelphia Department of Revenue (Philadelphia DOR) [issued](#) a special regulation providing that certain restaurants and bars subject to Philadelphia's Use & Occupancy Tax (U&O Tax), which are restricted on their capacity by the Philadelphia Health Department, will only be subject to U&O Tax based on the allowable occupancy percentage of the dining room. For example, restaurants must operate their indoor dining rooms with 25% occupancy. For U&O Tax purposes, 25% of the restaurant's indoor dining room space will be subject to U&O Tax. Restaurants that qualify for higher occupancy rates, for example, 50%, are subject to 50% U&O Tax for the indoor dining room. This emergency policy is only in effect while the Philadelphia Health Department limits occupancy for restaurants.

Philadelphia DOR Issues Guidance on BIRT and NPT Treatment of COVID-19 Grants

The Philadelphia DOR has [issued](#) guidance on the treatment of certain grants under Philadelphia's Business Income and Receipts Tax (BIRT) and Net Profits Tax (NPT), which will generally be excluded in calculating a taxpayer's liability under such taxes. The guidance applies to the following grants: Economic Injury Disaster Loan (EIDL) grants, Targeted EIDL Advances, SBA Loan Subsidy Payments, and Shuttered Venue Operator Grants.

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.