

Tax Insights | January 18, 2024

Tracking Tax News You Need to Know



Treasury Official Says Stock Buyback Tax Rules Close to Completion

During the D.C. Bar Tax Conference on January 10, a U.S. Department of the Treasury official said the long-awaited proposed guidance on the stock buyback tax is almost completed. The buyback tax, enacted as part of the Inflation Reduction Act of 2022, imposes a 1 percent tax on companies' repurchases of their own shares. Regulations on the buyback tax had been expected by the end of 2023 but were delayed until January 2024. A [preliminary guidance](#) was issued in 2022.

IRS Provides Relief for Partnerships for Failure to Furnish Correct Payee Statements

The IRS [issued a notice](#) January 11 to provide relief to partnerships for failures to furnish Form 8308, Report of a Sale or Exchange of Certain Partnership Interests. In a sale or exchange of an interest in a partnership that has unrealized receivables or inventory items, the partnership must furnish Form 8308 to the transferor and transferee. In October 2023, the IRS revised Form 8308 to require a partnership to report its share of Section 751 gain and loss, collectibles gain and unrecaptured Section 1250 gain. Responding to complaints from some partnerships, the IRS decided not to impose failure to furnish Form 8308 penalties in certain cases.

Pennsylvania Corporate Income Tax Sourcing Rules Interpreted

The Pennsylvania Department of Revenue (DOR) [released a bulletin](#) January 5 regarding sourcing of sales other than tangible personal property and services. The DOR interprets key terms and concepts related to the statutory rules for sourcing such sales that are applicable to taxable years beginning in 2023. Recently enacted legislation had implemented market-based sourcing for intangible income.



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