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RIC Granted Extension to Pass Foreign Tax Credits to Shareholder

In private letter ruling 201707009 (<https://www.irs.gov/pub/irs-wd/201707009.pdf>), the IRS ruled that the taxpayer satisfied the requirements for granting a reasonable extension of time to make an election under Section 853 (section references are to the Internal Revenue Code of 1986, as amended). The RIC intended to make an election under Section 853 to have its shareholders treated as if they had paid their proportionate share of certain foreign taxes paid by the RIC. The RIC had made the election for the prior taxable year. Additionally, the RIC provided to its shareholders notice of the election in the annual report for the year in question. The RIC relied on its advisor and the accountant retained by the advisor to file a Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, to extend the due date of its Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies. Although Form 7004 was prepared for the RIC, the accountant inadvertently failed to mail the form to the IRS, thereby making the Section 853 election untimely and necessitating the relief described in the ruling.

IRS Rules That Wireless Communications Towers Can Be Swapped Tax-free for Cable Distribution Systems

The IRS issued private letter ruling 201706009 (<https://www.irs.gov/pub/irs-wd/201706009.pdf>) concluding that wireless communications towers are of like-kind to above- and belowground cable distribution systems. As a result, these assets can be exchanged tax-free under the like-kind exchange rules.

IRS Finds Failure to Furnish Annuity Contract Information Form to Plan Participant Not Subject to Penalty

In Program Manager Technical Advice 2017-003 (<https://www.irs.gov/pub/lanoa/pmta-2017-03.pdf>), the IRS determined that Form 1098-Q, Qualified Longevity Annuity Contract Information, is not an information return or payee statement under Section 6724 and therefore is not subject to the failure to file correct information return/statement penalties under Section 6721 or Section 6722. The failure to file a Form 1098-Q with the IRS is subject to a Section 6652(e) addition to tax, but the failure to furnish the form to the plan participant is not subject to a penalty or addition.

U.S.-Vietnam FATCA IGA Competent Authority Arrangement Available

The U.S. and Vietnam competent authorities have signed an arrangement (https://www.irs.gov/pub/fatca/vietnam_competent_authority_arrangement.pdf) under the two nations' 2016 intergovernmental agreement to implement the information reporting and withholding tax provisions of the Foreign Account Tax Compliance Act.

Antigua and Barbuda-U.S. FATCA Authority Arrangement Available

The Antigua and Barbuda and U.S. competent authorities have signed an arrangement (https://www.irs.gov/pub/fatca/antiguaandbarbuda_competent_authority_arrangement.pdf) under the two countries' 2016 intergovernmental agreement to implement the Foreign Account Tax Compliance Act.

Ukraine-U.S. FATCA Agreement Available

The text is available of the agreement (<https://www.treasury.gov/resource-center/tax-policy/treaties/Documents/FATCA-Agreement-Ukraine-2-07-2017.pdf>) signed by Ukraine and the United States to improve international tax compliance and implement the information reporting and withholding tax provisions of the Foreign Account Tax Compliance Act.

Information on Applying for QDD Status Added to FATCA FAQ

The IRS has updated a list of FAQs on FATCA requirements (<https://www.irs.gov/businesses/corporations/frequently-asked-questions-faqs-fatca-compliance-legal>) to provide general compliance information, including how to apply for qualified derivatives dealer status for a branch of the qualified intermediary system.

IRS Releases Additional International Practice Units

The IRS made available the following international practice units:

- Monetary penalties (https://www.irs.gov/pub/int_practice_units/iga_p_17_4_01.pdf) under Section 6038 that may apply when Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, has not been timely filed or was substantially incomplete when filed.
- Hedge funds (https://www.irs.gov/pub/int_practice_units/jti_c_05_01_04_01.pdf), focusing on issues related to a master fund, which generally is a foreign entity or U.S. partnership that invests the capital of both the foreign and domestic feeder entities according to the fund's investment strategy.



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Delaware Releases Guidance on Return Due Dates for Corporations and Partnerships

The Delaware Division of Revenue now indicates that Delaware will be enacting legislation early in 2017 to adopt the same filing due dates as the federal due dates for Delaware's business tax returns, effective for tax years beginning after Dec. 31, 2016. (The division's announcement is available here <http://news.delaware.gov/2017/02/14/new-business-tax-return-due-dates-for-partnerships-and-corporations/>.) The division has also issued Technical Information Memorandum (TIM) 2017-01 (http://revenue.delaware.gov/information/tims/tim_2017-01.pdf) granting an automatic extension of time to all C corporations for the due date of the corporation's federal income tax return, without regard to extensions. As a result of the TIM, the due dates for the 2016 tax year are as follows: (1) for partnership returns, on or before the 30th day of the fourth month following the expiration of the taxable period (April 30 for calendar year taxpayers); (2) for S corporation returns, on or before the 30th day of the third month following expiration of the taxable period (March 30 for calendar year taxpayers); and (3) for C corporations, on or before the 15th day of the fourth month following the expiration of the taxable period.

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