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IRS Provides Additional Guidance on Deemed Repatriation Rules

The IRS issued Rev. Proc. 2018-17, 2018-09 IRB; IR 2018-25 (<https://www.irs.gov/pub/irs-drop/rp-18-17.pdf>), modifying the procedures for changing the accounting period of foreign corporations owned by U.S. shareholders that are subject to the transition tax (under the deemed repatriation rules – see our prior coverage here (<https://www.stradley.com/insights/publications/2018/01/tax-insights-january-10-2018>)) in the Tax Cuts and Jobs Act. The Revenue Procedure prevents changes to the annual accounting period of certain foreign corporations with a taxable year that ended on Dec. 31, 2017, under either the existing automatic or general procedures if such changes could result in the avoidance, reduction, or delay of the transition tax.

IRS Proposes Eliminating Outdated Regulations

The IRS issued proposed regulations (<https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-02918.pdf>) that would, pursuant to two executive orders designed to minimize regulatory burdens, remove 298 regulations that it considers no longer necessary and amend 79 others to reflect the 298 removed regulations.

FBAR Due Date Clarified

The Financial Crimes Enforcement Network, part of the U.S. Treasury Department, posted clarification (https://www.fincen.gov/sites/default/files/shared/FBAR_Due_Date_Clarification_PD02-02-2018.pdf) on its website regarding the due date of 2017 Reports of Foreign Bank and Financial Accounts (FBARs). The 2017 FBARs are due on Apr. 17; however, filers who miss this deadline are given an automatic extension until Oct. 15.

Trump's Budget Seeks \$15 Billion for IRS Enforcement

President Trump released his IRS budget (<https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>) proposal on Feb. 12. Under the proposal, the IRS would receive \$11.1 billion in funding for the coming year, including \$2.24 billion for taxpayer services, \$4.63 billion for enforcement, \$4.15 billion for operations support, and \$110 million for information technology capital acquisitions and support. The investment in improved enforcement over the next decade should generate approximately \$44 billion in additional revenue, according to the White House.

IRS Releases Practice Unit Addressing Foreign Personal Holding Company Income

The IRS released an international practice unit on categories of foreign personal holding company income (https://www.irs.gov/pub/foia/fen_c_11_01_01_02-03.pdf) earned by a controlled foreign corporation that must be included in a U.S. shareholder's income and some exceptions to that general rule.

SIFMA Seeks Withholding Relief for Non-Publicly Traded Partnerships

The Securities Industry and Financial Markets Association has requested relief from withholding under Section 1446(f) (<https://www.sifma.org/wp-content/>

[uploads/2018/02/Request-for-delay-in-implementation-of-Section-1446f.pdf](#)) of the Internal Revenue Code that was provided to sales of publicly traded partnership interests in Notice 2018-08 (see our prior coverage here (<https://www.stradley.com/insights/publications/2018/01/tax-insights-january-10-2018>)) be extended to partnership interests that are not publicly traded, raising several questions that need to be addressed in that guidance so that the correct amounts are withheld.



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