



# TaxNewsFlash

## United States

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### **Proposed regulations: Amount determined under section 956 for corporate U.S. shareholders (text of regulations)**

The U.S. Treasury Department and IRS today released proposed regulations (REG-114540-18) concerning the amount determined under section 956 for corporate United States shareholders.

The [proposed regulations](#) [PDF 108 KB] reduce the amount determined under section 956 with respect to certain domestic corporations that own (or are treated as owning) stock in controlled foreign corporations (CFCs).

As briefly explained in a related IRS release—[IR-2018-210](#)—the proposed regulations reflect changes made by the new U.S. tax law (Pub. L. No. 115-97, enacted December 22, 2017).

The new tax law added a participation exemption system for the taxation of certain foreign income. Today's proposed regulations are intended to provide that the application of section 956 is consistent with the new participation exemption system.

The proposed regulations are pending release for publication in the Federal Register.

The purpose of this report is to provide text of the proposed regulations. A discussion of initial impressions about these proposed regulations will be provided in a future report from KPMG.

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