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Proposed regulations under section 956, released to Federal Register

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register proposed regulations (REG-114540-18) concerning the amount determined under section 956 for corporate United States shareholders. The new U.S. tax law added a participation exemption system for the taxation of certain foreign income. These proposed regulations are intended to provide that the application of section 956 is consistent with the new participation exemption system.

The [proposed regulations](#) [PDF 256 KB] are scheduled to appear in the Federal Register on November 5, 2018. Thus, comments and requests for a public hearing must be received by a date that is 30 days after November 5, 2018.

Treasury and the IRS on October 31, 2018, released a version of these proposed regulations, and with that release, noted that the proposed regulations had been submitted to the Federal Register for publication; that such publication was pending; and that the version of the proposed regulations released on October 31 "... may vary slightly from the published document if minor editorial changes are made during the [Federal Register] review process. The document published in the Federal Register will be the official document."

Read a [computer-generated document](#) [PDF 665 KB] (an unofficial document produced by KPMG) that compares the version of the proposed regulations released on October 31, 2018, with the version of the proposed regulations released today for publication in the Federal Register. This document is intended to show what changes, if any, have been made to the proposed regulations prior to publication in the Federal Register. It has not been reviewed for accuracy.

Legend: Omitted text is shown as stricken, new text is indicated by the blue highlight, and replaced text is highlighted in orange.

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