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GILTI regulations under sections 951(b) and 951A; OIRA review completed

OMB's Office of Information and Regulatory Affairs (OIRA) today reported it has completed its review of final and proposed regulations under the "global intangible low-taxed income" (GILTI) provisions.

The 2017 U.S. tax law (Pub. L. No. 115-97), the legislation that is often referred to as the "Tax Cuts and Jobs Act," generally retained the existing subpart F regime that applies to passive income and related-party sales, but created a new, broad class of income—"global intangible low-taxed income" (GILTI). Under these measures, GILTI is deemed repatriated in the year earned and, thus, is also subject to immediate taxation. GILTI income is effectively taxed at a reduced rate while subpart F income is taxed at the full U.S. rate. In general, GILTI is the excess of all of the U.S. corporation's net income over a deemed return on the controlled foreign corporation's (CFC's) tangible assets (10% of depreciated tax basis).

OIRA today reported review of the following Treasury Department regulations has been completed:

- **RIN: 1545-BO54:** *Guidance related to section 951A (global intangible low-taxed income regulations)*
- **RIN: 1545-BP15:** *Guidance under sections 951(b) and 951A*

Treasury regulations that are identified as "major" regulations are subject to review by OMB's OIRA before being issued, pursuant to Executive Order 13771.

Now that OIRA has completed its review, the U.S. Treasury Department and IRS will be expected to release these regulations, but the exact timing of their release is not known (possibly could be in June 2019).

accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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