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Tax treaty update: Senate expected to consider four Protocols

Senate Majority leader Mitch McConnell (R-KY) today filed cloture motions for four tax treaty Protocols that have been awaiting Senate action for several years.

The pending Protocols would amend the income tax treaties with Switzerland, Luxembourg, Spain, and Japan.

The Senate is expected to vote on the cloture motions next week and proceed to floor consideration.

Background—U.S. ratification process

Under the U.S. Constitution, the president has the power to make treaties and Protocols, by and with the advice and consent of the Senate (provided two-thirds of the Senators present concur).

- A [Protocol](#) to amend the income tax treaty with Switzerland was signed in September 2009.
- A [Protocol](#) to amend the income tax treaty with Luxembourg was signed in May 2009.
- A [Protocol](#) to amend the income tax treaty with Spain was signed in January 2013.
- A [Protocol](#) amending the income tax treaty with Japan was signed in January 2013.

The Senate Foreign Relations Committee in June 2019 approved all four Protocols. Read [TaxNewsFlash](#)

The Senate Foreign Relations Committee had previously approved and reported the four Protocols, as well as treaties with Hungary and Chile. However, approval by the full Senate under unanimous consent motions was blocked by Senator Paul (R-KY).

KPMG observation

New income tax treaties with Hungary, Poland, and Chile are still pending. When they might be considered by the Senate Foreign Relations Committee and the full Senate is uncertain.

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