



# TaxNewsFlash

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## KPMG report: Initial impressions of final regulations related to deduction for FDII and GILTI under section 250

The U.S. Treasury Department and IRS yesterday, July 9, 2020, released for publication in the Federal Register final regulations related to the deduction for “foreign-derived deduction eligible income” (FDII) and “global intangible low-taxed income” (GILTI) under section 250—regulations that finalize proposed regulations from March 2019.

Read the [final regulations](#) [PDF 806 KB] (295 pages)

The final regulations provide guidance related to determining a taxpayer’s section 250 deduction—as enacted by the 2017 tax law (Pub. L. No. 115-97) that is commonly referred to as the “Tax Cuts and Jobs Act” (TCJA).

- The final regulations finalize the proposed regulations with significant modifications, including changes to the requirements for substantiating the deduction under section 250.
- The final regulations also provide additional guidance related to specific rules for determining the amount of a taxpayer’s section 250 deduction, computing FDII, computing “qualified business asset investment” (QBAI), identifying “foreign derived deduction eligible income” (FDDEI) transactions, FDDEI sales and FDDEI services, and the related-party rules.

Read a [KPMG report](#) [PDF 311 KB]: Initial impressions of final regulations related to deduction for “foreign-derived deduction eligible income” (FDII) and “global intangible low-taxed income” (GILTI) under section 250

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