IBFD Course Programme
US Corporate Taxation

Amsterdam / 8 – 10 May 2017
Overview and Learning Objectives
This course provides participants with an essential overview and comprehensive understanding of the complex US tax system, with particular emphasis on international aspects. The main focus of the course is on US corporate taxation and cross-border issues faced by US-based multinationals. The United States is well known for its complex income tax system. US-based multinational corporations (MNCs) are faced with the complexities of different tax jurisdictions as they expand globally. To remain competitive, they need to examine the tax implications of their business strategies in all jurisdictions in which they conduct, or plan to conduct, business.

This course intends to bridge the gap between US and local tax implications for tax practitioners to facilitate their day-to-day work, and provide an overview and a good understanding of the mechanisms of the US tax system, including its terms and concepts. Particular emphasis will be put on international tax aspects faced by the US-based multinationals balancing their US and foreign tax positions, but major US inbound tax topics will also be covered.

This is an interactive course and participation is therefore limited to a maximum of 30 participants. Prior to the course, participants will be given access to an online platform which provides them with additional reading material (e.g. legal documentation, case law and related articles/literature). During the course, participants will be provided with a course binder containing documents relevant to the course.

This course may be complemented with an additional course, i.e. the US Advanced Corporate Taxation and Transfer Pricing course, which provides an in-depth analysis on specific US cross-border and transfer pricing issues.

Who Should Attend?
The course is suitable for practitioners in tax advisory firms, corporate tax directors and managers, accountants, CPAs, attorneys, and other corporate finance executives and government officials who wish to both understand and examine practical solutions for complex US cross-border tax issues.

Course Level and Prerequisites
This is an introductory/intermediate-level course. Although participation in the course does not require prior experience or knowledge about the US tax system, participants should have some understanding of general principles of taxation, including international aspects.
Day 1

08.30 - 09.00  Registration

09.00 – 09.20  Welcome and IBFD Overview

09.20 – 11.00  Introduction to US Tax System

► Overview and sources of US federal tax law
► Classical corporate tax system, corporate income taxes and rates
► Alternative minimum tax (AMT)
► Capital gains and losses
► Basic computation, accounting methods and fiscal periods
► Definition of gross income, deductible and non-deductible expenses
► Non-taxable corporate transactions

11.00 – 11.20  Break – Refreshments

11.20 – 12.45  Introduction to US Tax System (continued)

► Earnings and profits (E&P)
► Treatment of corporate distributions
  ► debt vs equity (thin cap)
  ► regular dividends
  ► dividend received deduction (DRD)
  ► stock dividends
  ► stock redemptions
► Group consolidation rules
► Tax returns and tax administration

12.45 – 14.00  Lunch

14.00 – 15.20  Forms of Doing Business

► Subchapter C corporations
► Subchapter S corporations
► Limited liability companies (LLCs)
► General and limited partnerships
► Branches/permanent establishments
► Investment companies
► Check-the-box regulations
15.20 – 15.40  Break – Refreshments

15.40 – 17.00  US Tax Treaties

- US income tax treaty network
- Key features of US income tax treaties
- US Model Income Tax Convention
- Tax treaties and US domestic law
- Domestic law overrides
- Limitations on treaty benefits
- Administrative requirements
- Other US treaties and agreements
Day 2

09.00 – 10.40 Double Taxation Relief

- Overview of US foreign tax credit (FTC)
- Taxes and taxpayers eligible for FTC
- Types of FTCs
- Definition of creditable tax
- Calculation of indirect tax credit
- FTC limitation and basket system
- Carry-back/carry-over of excess FTC
- Anti-avoidance rules

10.40 – 11.00 Break – Refreshments

11.00 – 12.45 Tax Planning Strategies and Recent Developments in US Law

- Hybrid entities
- Check-the-box planning
- Tax planning techniques
- Effective cash repatriation
- Recent developments in US tax law

12.45 – 14.00 Lunch

14.00 – 15.20 Foreign Activities of US Corporations

- Overview of anti-deferral regimes
- Definition of controlled foreign corporation (CFC)
- CFC provisions
- Foreign personal holding company income

15.20 – 15.40 Break – Refreshments

15.40 – 17.00 Foreign Activities of US Corporations (continued)

- Foreign base company income (sales and services)
- Applicable exclusions and exceptions
- Exclusion of distributions of previously taxed earnings
- Investment in US property
- Section 1248 tax on sales of CFC stock
- Passive foreign investment companies (PFICs)
- Overlap of anti-deferral regimes
Day 3

09.00 – 10.40  Case Study on Foreign Activities of US Corporations

▶ This case study will deal with the impact of the US corporate taxation system on multinationals in outbound situations.

10.40 – 11.00  Break – Refreshments

11.00 – 12.45  US Taxation of Foreign Corporations

▶ Overview of US inbound and outbound taxation
▶ US domestic sourcing rules
▶ Taxation of foreign persons not engaged in US trade or business
▶ Fixed or determinable annual or periodic (FDAP) income
▶ Taxation of foreign persons engaged in US trade or business
▶ US trade or business defined

12.45 – 14.00  Lunch

14.00 – 15.40  US Taxation of Foreign Corporations (continued)

▶ Overview of US inbound and outbound taxation
▶ Effectively connected income
▶ Foreign Investment in Real Property Tax Act (FIRPTA tax)
▶ Branch profits tax and branch interest tax
▶ Branch loss recapture rules
▶ Earnings stripping provision – section 163(j)

15.40 – 16.00  Break – Refreshments

16.00 – 17.00  Case Study on US Taxation of Foreign Corporations

▶ This case study will deal with the impact of the US corporate taxation system on multinationals in inbound situations.