IBFD Course Programme
US Corporate Taxation

Amsterdam / 22 – 24 June 2020
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 both US-based and foreign-based multinationals.

The United States is well known for its complex income tax system. 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 multinationals balancing their US and foreign tax positions. Major US inbound and US outbound tax topics will be covered, including treaty benefits and relief from double taxation.

The speakers for the course will give particular emphasis to the extensive revisions made to the US international tax system by the Tax Cuts and Jobs Act (TCJA) adopted by the United States at the end of 2017, including the new rules of global intangible low-taxed income (GILTI), the participation exemption resulting from the 100% deduction for foreign-source dividends, the new base erosion anti-abuse tax (BEAT), the new rules for foreign-derived intangible income (FDII), the new interest deduction limitation that replaces the US earnings-stripping rule, the anti-abuse rules for hybrid entities and hybrid transactions, the revisions to the US foreign tax credit system, and the transition tax for deferred offshore income of CFCs as the United States moves to a more territorial system.

This is an interactive course and participation is limited to a maximum of 32 participants. Prior to the course, all course material will be sent to participants in a digital format. Participants will have access to an online study collection for two weeks from the start of the course.

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
  ▶ 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  **Double Taxation Relief**

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

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**Day 2**

09.00 - 10.40  **Foreign Activities of US Corporations**

- Overview of anti-deferral regimes
- Definition of controlled foreign corporation (CFC)
- CFC provisions
- Global intangible low-taxed income (GILTI)
- Foreign personal holding company income

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  **Foreign Activities of US Corporations (continued)**

- Foreign-based company income (sales and services)
- Applicable exclusions and exceptions
- Exclusion of distributions of previously taxed earnings
- Investment in US property
- Transition tax on deferred offshore earnings
- Section 1248 tax on sales of CFC stock

12.45 - 14.00  Lunch

14.00 - 15.20  **Foreign Activities of US Corporations (continued)**

- Foreign-derived intangible income (FDII)
- Exclusion of foreign-source dividends

- Treatment of hybrid entities and hybrid transactions
- Passive foreign investment companies (PFICs)
- Overlap of anti-deferral regimes
15.20 - 15.40  Break – Refreshments

15.40 - 1700  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.

17.00 - 17.15  IBFD Library Tour (optional)

Day 3

09.00 - 10.40  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

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  US Taxation of Foreign Corporations (continued)

► Effectively connected income
► Interest deduction limitation
► Base erosion and anti-abuse tax (BEAT)
► Foreign Investment in Real Property Tax Act (FIRPTA)
► Branch profits tax and branch interest tax
► Branch loss recapture rules

12.45 - 14.00  Lunch

14.00 - 15.20  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.

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