



Transfer Pricing Implications of New US Tax Return Due Dates for C Corporations

Global Transfer Pricing Alert 2017-005

Many US tax return due dates have changed for taxable periods beginning after December 31, 2015. This alert will focus on the impact these changes will have on C corporations. A forthcoming alert will focus on the changes to partnerships and other entities. In the interim, please contact a Deloitte tax professional if you have any questions regarding this alert or those other entities.

Changes to C Corporations

The changes to the tax return due dates and extension periods, as enacted by H.R. 3236, The Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, affect C corporations and other entities. Under the act, C corporations generally must file on the 15th day of the fourth month after the close of their taxable year. An exception to this has been retained for C corporations using a June 30 tax year (or any short period ending in June), which are still governed by the prior law until 2026. Under prior law, C corporations were required to file by the 15th day of the third month following the close of their taxable year. For more information, please see below.

Under the new rules provided by the act, C corporations with a calendar-year-end were initially given an

automatic extension of only five months to file their tax returns starting in 2016. IRC §6081(b). Nevertheless, the IRS [announced](#) on February 8 that they would now be giving calendar-year-end C corporations a six-month extension period.

As a result, the extended due date for these corporations (including real estate investment trusts (REITs), regulated investment companies (RICs), and other entities filing Form 1120 series income tax returns) is now October 15 rather than September 15, if the corporation timely files the appropriate extension form -- Form 7004 -- on or before April 15.

C corporations with a June 30 fiscal-year-end (or any short period ending in June) must still follow the rule that was in place before the act, which as noted above requires that the tax return be filed on the 15th day of the third month following the close of their taxable year. In addition, these types of C corporations have not been affected by the February 8 announcement and still have an automatic seven-month extension period. Those due date and extension rules will continue to apply for fiscal years beginning after January 1, 2016, and before January 1, 2026.

A summary of the tax return due dates for C corporations follows:¹

Taxable Year End	Due Date of Return	Extension Period
December 31	15th day of 4th month	Now 6 months (per IRS announcement)
	Due April 15	Due October 15
March 31	15th day of 4th month	6 months
	Due July 15	Due January 15
June 30	15th day of 3rd month	7 months
	Due September 15	Due April 15

Implications for transfer pricing and competent authority documents starting in 2016

These changes will have an impact on when to file various transfer pricing and competent authority documents starting in 2016, because many of those documents must be either submitted or in existence at the time when the tax return is filed. A summary of these documents and the impact of this new six-month extension for calendar-year-end C corporations is provided below:

¹ If the due date of a return falls on a weekend or legal holiday, then the tax return is not due until the following day that is not a weekend or holiday.

Document	Document Due Date	Impact of New Rule
Section 6662 Documentation	Documentation must be in existence when return is filed	New due date (Generally October 15 or January 15)
Protective Claims: Annual Notification Requirement	Submitted no later than the date on which the taxpayer timely files a tax return	New due date (Generally October 15 or January 15)
Treaty Notifications: Annual Notification Requirement	Submitted no later than the date on which the taxpayer timely files a tax return	New due date (Generally October 15 or January 15)
APA Annual Reports	If governed by Rev. Proc. 2006-9, either the later of: (i) 90 days after the time prescribed by statute (including extensions) for filing its federal income tax return for the year covered by the report; or (ii) 90 days after the effective date of the APA	Potentially, new due date (But check the terms of the APA)
	If governed by Rev. Proc. 2015-41, either on or before the later of: (i) 15th day of 12th month following close of APA year; or (ii) 90 days after effective date of APA	Most likely, no impact (But check the terms of the APA)
Form 8975 and Accompanying Schedules A for Country-by-Country Reporting	Submitted with income tax return	New due date (Generally October 15 or January 15) ²

As shown in the table above, IRC §6662 documentation, protective claim annual notifications, and treaty notification annual update letters will now generally be filed one month later than in the past. For calendar-year-end C corporations, the new due date will be October 15 if the corporation files pursuant to the new automatic six-month extension per the February 8 announcement. Similarly, for corporations with a March 31 fiscal-year-end, these same documents will now be due by January 15 if the corporation files pursuant to the automatic six-month extension. This change in due dates for March 31 filers results not from the IRS announcement but from a change in the underlying law per the act.

APA annual reports may or may not be affected by the changed due dates, but taxpayers should consult the exact language of the APA itself to determine this. Many APAs list the exact date on which the annual report is due, rather than listing the boilerplate language in the applicable revenue procedure mentioned above. As noted, special rules still apply to corporations with a June fiscal-year-end, and country-by-country reports will have the same new due dates as the tax returns with which they must be submitted.

[Back to top](#)

² The rules for voluntary filing of country-by-country reports under Rev. Proc. 2017-23 would not be impacted by the new due dates or extension periods. Therefore, C corporations would still have to file their country-by-country reports within 12 months after the close of the taxable year that included the early reporting period even if they did file pursuant to the new extension rules.

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[Back to top](#)

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