

U.S. Inbound Tax Services

Business Imperative

Effectively integrating a U.S. investment into your global portfolio has its share of challenges and opportunities, whether you are establishing a footprint in the U.S. for the first time or have had a U.S. presence for many years. Non-U.S.-headquartered companies that invest in the U.S. face a complicated, high-cost tax system, including a wide array of federal, state, and local taxing jurisdictions.

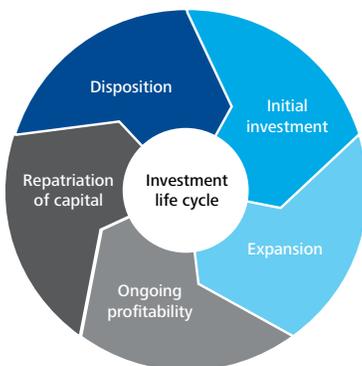
The resulting tax complexity may put your company at risk for noncompliance, or result in surprises in your total tax liability. A few prominent areas of risk include withholding obligations on cross-border payments, tax information reporting requirements, transfer pricing, and nexus issues in various states.

At the same time, a complex tax system may offer alternatives for companies to structure operations in tax-efficient ways. Each stage of the investment life cycle (Figure 1) presents possible opportunities with proper consideration of legal entity structure, location of operations, credits and incentives, financing structures, intercompany transaction flows, and M&A planning and structuring. Deloitte is highly qualified to assist your organization throughout the investment life cycle as you address the tax challenges and potential opportunities of your investment in the U.S.

Our approach

Deloitte's dedicated team of U.S. Inbound Tax Services professionals work collaboratively and proactively to help you pursue your business objectives and explore options for structuring your investment in a tax-efficient manner.

Figure 1: Investment life cycle



We start with questions such as: What are your short-and long-term strategies for operating in the U.S.? Will you grow through acquisition or expand existing operations? Will you borrow to make the investment, and will you need to repatriate funds during the life of the investment? In which

countries is your organization most profitable, and what is its past and present tax risk profile? The answers to these questions help us focus on areas where we can add value to your organization.



We have broad knowledge of U.S. federal, state, local and indirect tax rules to assist with the specific and complex tax requirements of non-U.S.-headquartered organizations doing business in the U.S. We can access our global network of member firms to provide assistance in addressing the business needs and circumstances of your organization. Our professionals have a deep understanding of the specific attributes of U.S. inbound companies and ways to help your organization pursue value.

A focus on value

To help bring value to your organization, we have a relentless focus on helping you find ways to manage tax risks and structure tax efficient operations, all in the context of navigating the changing tax and regulatory environment.

Tax risk management—To understand and address areas that have the greatest risk exposure for your organization, we ask important questions about the people, processes, technologies, and data your organization uses to manage such risks. Some considerations include:

- Aligning your U.S. investment with your global growth and tax planning
- Navigating the U.S.'s many overlapping yet separate tax laws, regulations, and treaties across multiple jurisdictions
- Your analysis of tax, finance, and accounting systems necessary for effective tax data collection, storage, management, and availability for both tax compliance and planning purposes
- Completing required tax filings and tracking compliance across direct and indirect tax areas

Figure 2: A representative sample of Deloitte’s U.S. Inbound Tax Services

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| Treasury and Financing | <ul style="list-style-type: none"> • Leverage structures • Debt-equity considerations • State tax considerations for debt push downs | <ul style="list-style-type: none"> • Cash repatriation • Related party payment considerations • Earnings stripping limitations |
| Compliance and reporting | <ul style="list-style-type: none"> • U.S. Generally Accepted Accounting Principles/ International Financial • Federal and state tax compliance • Sales and use tax • Excise and franchise tax • Controversies | <ul style="list-style-type: none"> • Information reporting • Foreign Account Tax Compliance Act • Foreign Investment in Real Property Tax Act • E&P/basis calculations • Permanent Establishment/ECI considerations |
| Expansion and M&A | <ul style="list-style-type: none"> • M&A diligence • Out from under planning • Legal entity simplification • Post-merger integration • Consolidated return planning • Credits and incentives | <ul style="list-style-type: none"> • Nexus reviews • State strategic review • New markets tax credits • Water’s edge elections/ unitary filings • Sell side planning |
| Talent matters | <ul style="list-style-type: none"> • Compensation and benefits • Talent strategy • Global mobility planning | <ul style="list-style-type: none"> • Equity compensation plans • Business travelers |
| Business strategy and operating model | <ul style="list-style-type: none"> • International strategic tax review • Transfer pricing • Intellectual Property Planning | <ul style="list-style-type: none"> • Customs • Treaty considerations • Business model optimization |
| Turnaround and restructuring | <ul style="list-style-type: none"> • IRC § 382 analysis • Loss preservation • State tax loss utilization • M&A • Certificate of Deposit Index | <ul style="list-style-type: none"> • Workforce realignments • Commercial & Industrial • Entity simplification • Recapitalizations |
| Tax Department resource management | <ul style="list-style-type: none"> • Tax systems and automation • Tax data management and analytics | <ul style="list-style-type: none"> • Co-sourcing • Tax transformation consulting |

Tax-efficient operations—Many factors can impact the value of your U.S. investment, so we assist you in finding ways to operate tax efficiently in areas such as:

- Investment form and finance structure and their alignment with tax laws
- Location and use of intellectual property and other assets
- Alignment of supply chain and transfer pricing strategies with your organization’s tax profile
- Simplification of entities to consolidate filings and reduce administrative costs
- Integration of tax into M&A activities from initial planning through deal closing and beyond, including restructuring to address both inbound and outbound U.S. tax risks
- Leveraging available U.S. credits and incentives

A broad portfolio of services

Our services align with the business priorities of U.S. inbound companies (Figure 2).

The Deloitte difference

Deloitte’s U.S. Inbound Tax Services group can help you effectively navigate the increasingly complex U.S. and global tax environment thus helping you more positively impact your organization. We offer a broad knowledge of the U.S. Internal Revenue Code and tax laws at the state and local levels. In addition, our group has deep specialization in the tax implications of inbound U.S. investments and related M&A transactions, as well as extensive U.S. federal, state, and local government experience.

Our collaborative, proactive approach leverages geographic coverage, both within the U.S. and internationally thus promoting access to the specialized and extensive resources of Deloitte Tax LLP, its U.S. affiliates, and the member firms of Deloitte Touche Tohmatsu Limited. Our clients benefit from the broad experience we have with tax issues and opportunities, as well as tax technology across multiple industries. Deloitte’s Washington National Tax specialists provide insights into evolving legislative and regulatory activities simplifying the translation for clients to comprehend the complexity.

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