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Tax data analytics: A new era for tax planning and compliance

Like other business functions, tax departments face increasing demand to operate more efficiently. At the same time, expectations are growing for tax to provide strategic tax viewpoints and additional value to the broader organization.

Tax data analytics can help address these expanding requirements and open new avenues for tax executives and their teams to engage with the broader business. Tax data analytics combines tax technical knowledge, large sets of data, and new technologies such as visualization tools to generate insights and deeper understanding. Tax analytics can help an organization's tax function make smarter, real-time decisions to improve business performance and drive strategy.

A recent Deloitte Dbriefs webcast provided an overview of tax data analytics concepts and components, along with areas of potential value creation through use of analytics. Also presented were practical examples of how companies can apply analytics in combination with visualization tools to identify and explore key tax issues and opportunities.

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The tax function – a late analytics adopter

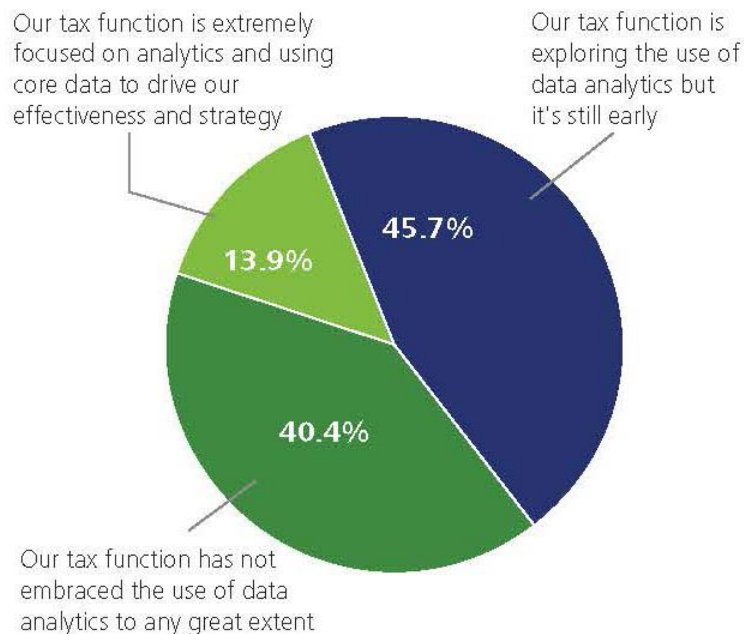
Despite being a quantitative field, tax has been hesitant to embrace analytics. But there are signs of growing interest. Participants were polled during a Deloitte Dbriefs webcast. Of those who provided an opinion on their tax function's focus on analytics, nearly 60 percent of respondents indicated their organization is either exploring the use of data analytics or is extremely focused on using it to drive effectiveness and strategy.

Among areas where analytics is used, direct tax compliance and provision were most common, cited by 49 percent of respondents.

Several factors may contribute to this slower uptake in tax as opposed to other parts of the business. Most tax software is compliance oriented rather than analytics focused. Numerous legal entities exist within the enterprise, sometimes on different ERP systems and with different tax issues. Tax law is complex, and too little data is available to analyze tax structures. In the Dbriefs poll, data issues were cited most frequently (32 percent) as the biggest challenge in executing analytics strategy.

Despite these hurdles, executive-level demand for strategic tax information and insights is beginning to build momentum. In some instances, as well, regulators are ahead of companies in analytics deployment.

Which of the following best describes your tax function's focus around data analytics?



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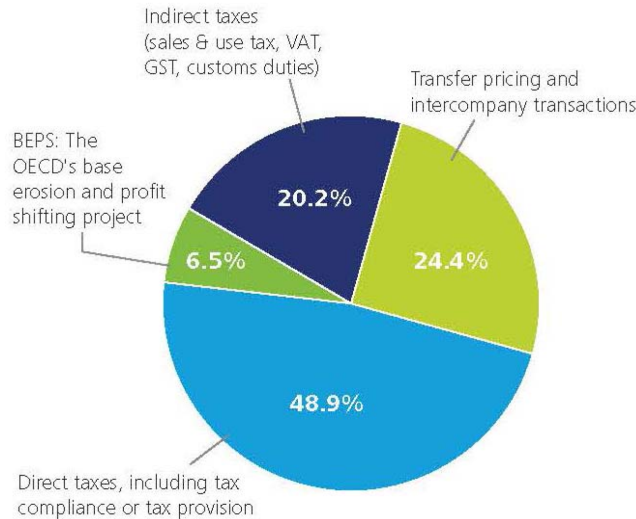
Are you using tax analytics to address any of the following tax areas? Choose your top area if there is more than one.



Change the mindset from "what I need to do" to "what I need to know"

Traditionally, tax data-gathering has focused on hindsight, dealing with data from transactions that have already occurred for business planning and compliance purposes. While hindsight remains important, tax organizations are looking to use data more for gaining insight, and even foresight into what lies ahead. Analytics can help move tax toward insight and foresight, changing its mindset from "what do I need to do?" to "what do I need to know?"

Insight can be attained by drilling deeper into data using more sophisticated queries to understand how aspects of the business may affect tax outcomes. Using past data to understand what actions are correlated with which outcomes can provide insights into drivers of tax impacts. For example, are cash taxes paid to a jurisdiction appropriate relative to projected taxable income and statutory tax rates? Or, how is employee international travel affecting the company's permanent establishment exposure?

Foresight is also attainable in the absence of future data. Past data can be used to create a statistical model to project into the future. Functions including marketing and supply chain operations use such an approach, and tax can follow suit. For example, how can monthly trends in book income, cash taxes, and effective tax rates help reduce the potential for surprises?

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Tax and the role of analytics

The tax function gathers data from various sources and systems across the enterprise, uses it to solve problems and find answers, and then delivers information in the form of return filings, reports, and presentations. Data analytics is fundamentally changing tax's role by providing the ability to explore and explain data in new ways.

Tax analytics can help answer questions that couldn't be cracked previously. For example, analytics can help illuminate the impact on tax rates of external and internal changes in the business environment. Or, analytics can be used to scour contracts for language that could lead to different-than-expected tax consequences.

Visualization	Sound data management
Visualization can be a useful technology any time humans look at data output and make decisions based on it. Visualization-oriented tools, as well as visualization capabilities found in statistical and business intelligence tools, can help equip tax specialists to explore and explain data in new ways and allow users to understand data better by seeing it in context. Visual analytics helps users reach insights more quickly by more readily presenting factors and insights. Visualization can be used to explore the interplay of different scenarios on the global tax footprint, providing the ability to change the assumptions of one scenario and quickly see the impact across others. Visualization can also highlight anomalies in large sets of transactional data, improving the ability to investigate discrepancies.	Sound data management is both essential to effective use of tax analytics and potentially a substantial challenge. Along with the large, disparate data volumes involved, tax calculations are routinely created in multiple instances of spreadsheet programs and stored in separate systems, and often the data generated isn't fed back into source systems. Important data from different areas of a company can also have errors or inconsistencies or be incomplete, making it more difficult to extract, analyze, and manage data.
Tax Data Infrastructure	**People**
One resource particularly important to development and use of tax data analytics is a tax data infrastructure that harmonizes and integrates tax data across the organization to achieve a single working version for tax purposes. While the reliance on spreadsheets noted previously can impede such an effort, establishing a tax data warehouse can be a helpful step. In many cases, though, tax data needs to be integrated with other types of data, including financial, supply chain, and inventory. Combining tax data with other data in an enterprise data warehouse can increase the value of the data infrastructure.	Another important resource is people. Finding people who understand both tax law and analytics is proving difficult for some organizations. In response, some companies are hiring quantitative professionals or data scientists and teaching them about tax, rather than vice versa, or they are recruiting people from elsewhere in the organization who possess these skills.

Tax analytics applications

Data analytics can help an organization and its tax function drive toward becoming an insight-driven organization, or IDO. An IDO harnesses the power of data and analytics to inform decision-making – not through discrete, individual projects, but by embedding analytics throughout the enterprise, including in the tax function.

Various types of analytics can be applied to tax issues and investigation (chart below). To date, tax organizations have used analytics primarily in creating descriptive scorecards and visually representing large volumes of data in more digestible formats – forms of hindsight. These first use cases of analytics are helping organizations determine where to allocate resources, focus on anomalies in results, and identify potential areas of risk.

As organizations find value in these initial analytics projects, they will advance their capabilities into more complex areas such as predictive and prescriptive analytics. Predictive analytics uses data about the past to identify key

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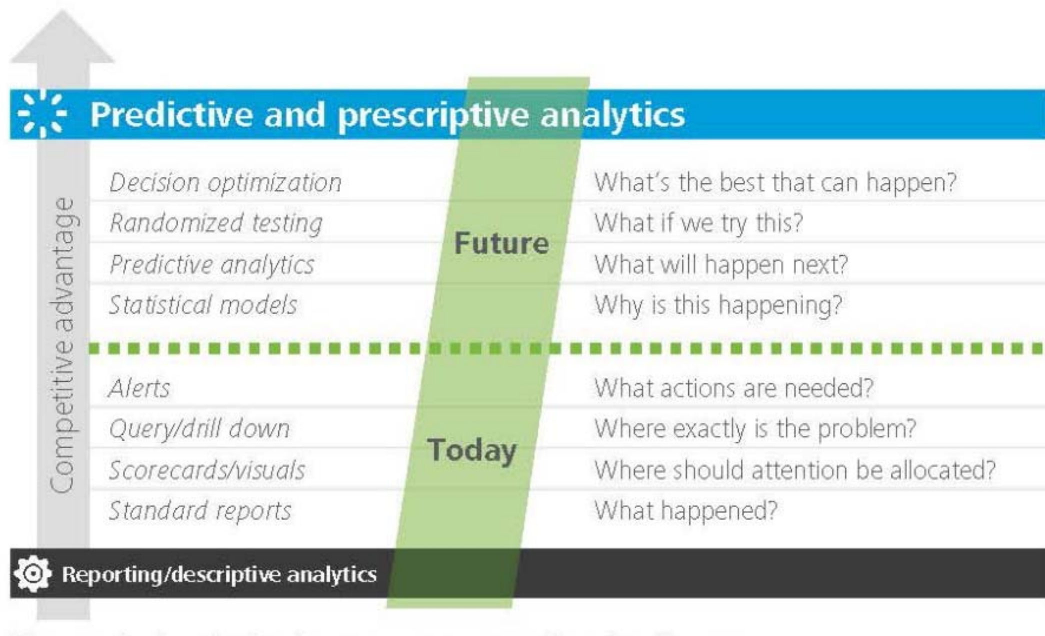
predictors for the future, and statistical models to project what might happen in a given tax situation. Prescriptive analytics takes the insights even further, and suggests actions that should be taken based on opportunities and risks identified.

Analytics can be employed to make comparisons between different business units from a tax perspective, as well as analyze the implications of tax-related decisions such as buying or selling assets. Or, analytics can be used to sample certain tax items to understand the potential for errors in a particular population, as well as the audit risk created by those errors. Leveraging analytical tools already in use at many organizations, tax can also participate in broader analytics efforts within the enterprise.



Tax analytics opportunities

- Understanding drivers of tax in key areas;
- Predicting earnings, tax impacts, sales and use taxes;
- Making comparisons between units over time;
- Analyzing implications of decisions, such as buying or selling assets;
- Sampling tax items to understand potential errors and audit risk;
- Analyzing unstructured documentation; and
- Interpreting tax law.

Ways to jumpstart tax data analytics

Figure 2 depicts areas in which prebuilt modules can serve as building blocks for tax data analytics. The tax data warehouse serves as a central repository for data already available. The data can be in an actual tax data warehouse or the ability to access data residing elsewhere, such as in ERP systems, bolt-on systems, tax compliance software, and tax provision systems.

The six areas surrounding the tax data warehouse in Figure 2 share several traits that make them prime candidates for tax data analytics. They are detailed and data intensive, focus on important organizational processes, and often involve iterative or repetitive analyses.

Three tax areas demonstrate how data analytics and visualization tools can be used to better understand the tax environment and support decision-making: direct taxes, transfer pricing, and indirect taxes.

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Data analytics opportunity areas

Direct taxes

Direct tax is an area in which descriptive analytics can add significant value. Figure 3 portrays federal income tax information in a more informative, dynamic manner than looking at lines on a tax return, spreadsheet, and workpapers. A user of this tool can interact with the data, drilling down to supporting detail and changing the view completely with just a click or two.

For example, in reviewing a tax return or conducting due diligence on a target company, the user can quickly see in the top left quadrant that book income has been rising quickly over three years, while taxable income has been decreasing rapidly. What is happening in the business to cause that, and what does that mean from a tax perspective?

This chart reveals that the differences are being driven largely by temporary items. And, the bottom left quadrant lists the largest temporary adjustments. The visualization helps focus attention on issues driving tax liability, in this case unrealized and realized exchange losses, depreciation calculations, and intercompany transactions.

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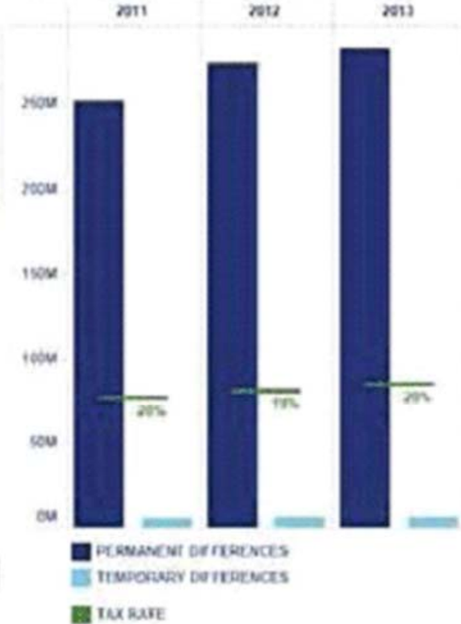
Tax analytics – direct taxes

FEDERAL TAX

BOOK INCOME VS TAXABLE INCOME

TAX RATE AND SCHEDULE M PROFILE



TOP M ADJUSTMENTS

M-Adjustement	2011	2012	2013
GROSS FOR DIV NOT PREVIOUSLY TAXED	45,085,254	54,367,142	68,048,600
DEEMED INCLUSIONS	40,740,404	44,411,268	45,764,013
REVERSE SECTION 901 TAXES	36,511,494	39,793,426	41,024,150
DISTRIBUTION OF PTI	-24,890,777	-27,426,150	-27,567,165
SECTION 78 GROSS-UP	24,724,775	25,947,228	27,780,546

Enter # of Adjustments to display:

5

Transfer pricing

Figure 4 shows the power of visualization in depicting and understanding transfer pricing outcomes. An organization can pick whatever metrics it would like to examine, such as metrics reported in new country-by-country reporting requirements, or anything that is relevant to the business. As an example, the depiction of country-by-country employee expenses as a percent of revenue (top right quadrant) flags potential outliers. Combined with the display of employee expenses per number of employees (bottom left quadrant), the data reveals that this organization's operations in Italy have a different profile than the other countries. This information can help the transfer pricing specialists make sure that the outcomes are reflecting business realities, narrow the focus of inquiry, find patterns, and identify areas for further study.

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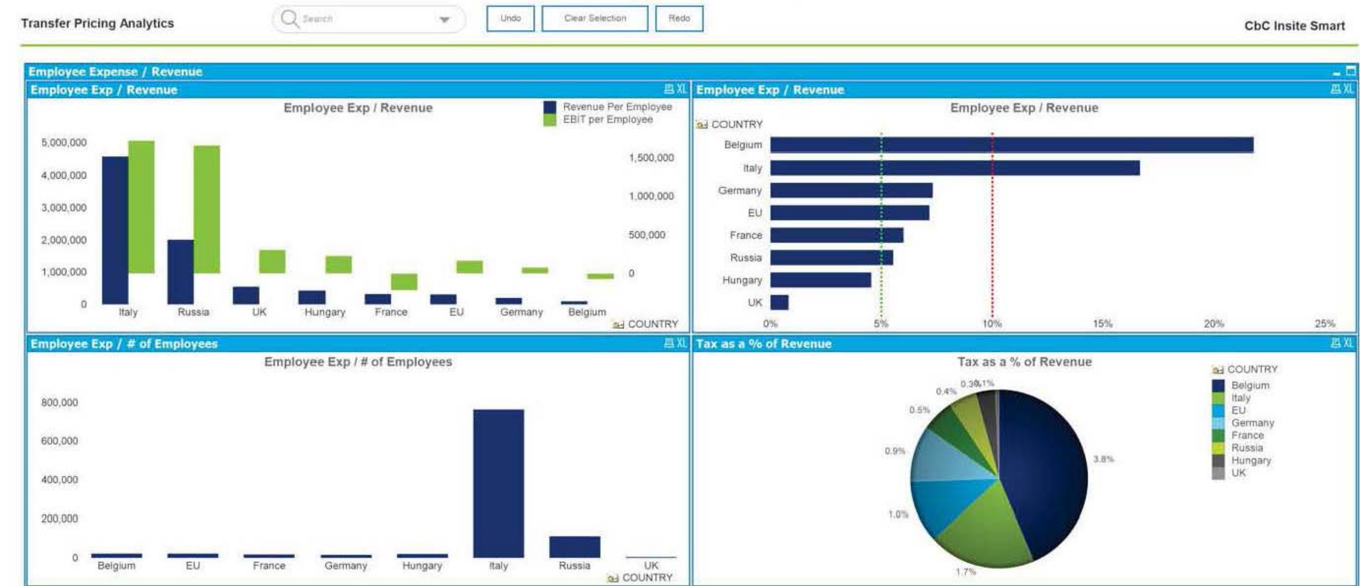

Indirect taxes

Indirect tax offers considerable opportunities to leverage analytics. Indirect tax management and compliance are handled by operating business units in many organizations. Every transaction an organization enters into requires an indirect tax decision to be made – even if that decision is that the transaction is exempt from indirect taxes. Thus the volume of information that surrounds the ultimate indirect tax outcomes can be immense. The process is often highly automated, but also reliant on manual information entry. Tax is often expected to manage indirect tax controversy, without having day-to-day control over the processes that create and report the liabilities. Given the volumes of data and the velocity of the transactions, the tax function is often left dealing with summarized data, samples of data, or, worse yet, problems that a taxing authority raises after the fact.

The chart below shows how analytics can help in monitoring indirect taxes both from a risk perspective and in terms of avoiding overpayments. The graphic on the left depicts filters that can be used to focus on specific time periods and jurisdictions.

The top-left pie chart shows spending by general ledger category, enabling, for example, a sales tax specialist to quickly drill into different areas and see underlying transactions. At top-right, use tax by jurisdiction is displayed and can be sorted based on purchase order amounts, invoices, and total use tax. The pie chart at bottom left enables a view of analysis by vendor spending, while the chart at the bottom right shows spending patterns by legal entity within the organization. A couple of clicks can take the user from a view of millions of transactions down to finding an individual transaction and all of its accompanying details in ERP and other systems.

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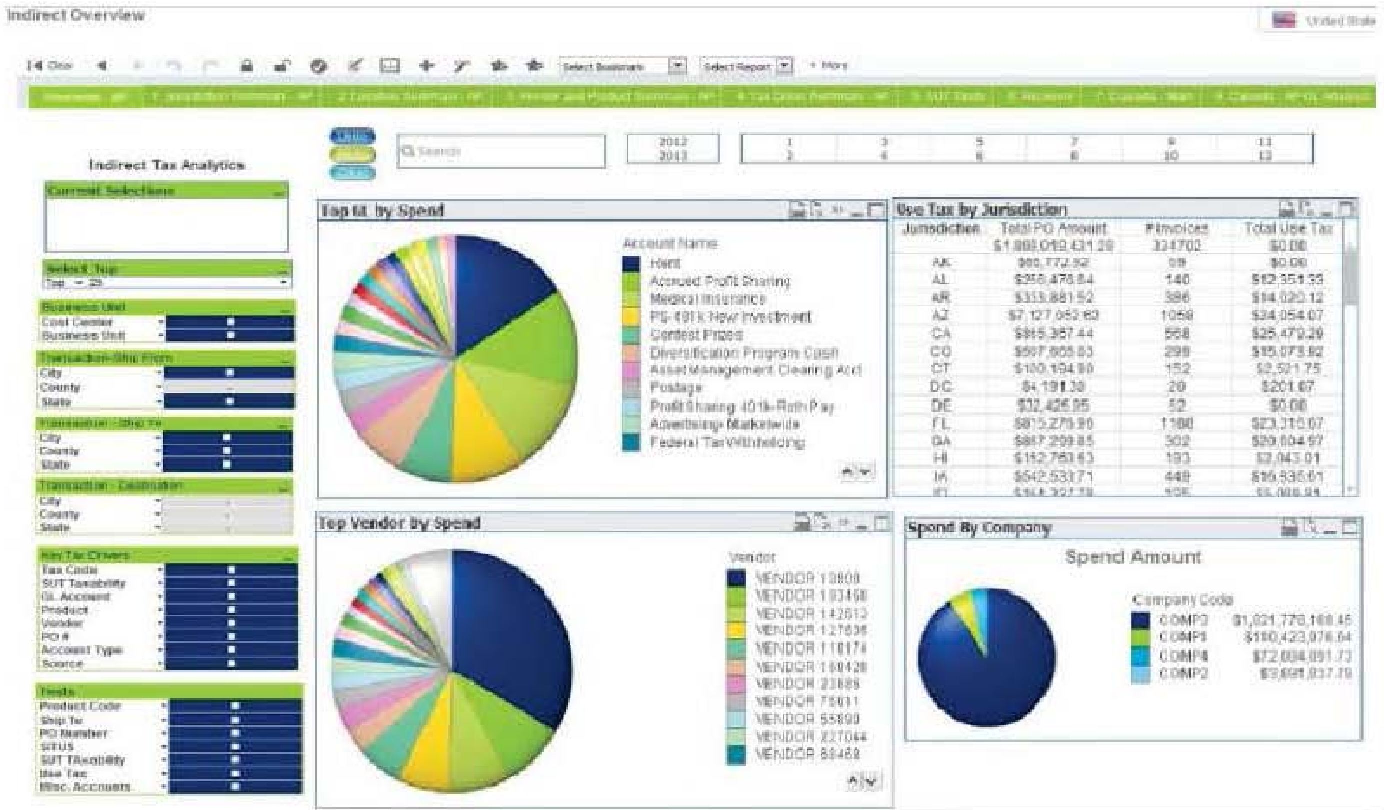

Elevating the tax role with data analytics

Tax data analytics is both a powerful investigative tool and, through visualization, a graphic medium for communicating findings and discoveries. Importantly, analytics can play a vital role in meeting growing organizational expectations that tax will contribute to strategy setting and serve as a catalyst for organizational growth and success.

Contacts

For more information on tax data analytics or other questions that are top of mind, please contact your Deloitte Tax advisor or one of the individuals below.

— Beth Mueller (Chicago)
Partner
Deloitte Tax LLP
bethmueller@deloitte.com

Nathan Andrews (Raleigh)
Partner
Deloitte Tax LLP
nandrews@deloitte.com

The state side of federal corporate income tax reforms

What's likely to get side-tracked in the debate over federal tax code reform are the potential repercussions for the states. It remains to be seen how the states will respond to another set of federal tax law changes – the only certainty seems to be that it will be reactive.

In the upcoming months, the 2016 US presidential race will tighten as both political parties hold their respective conventions, formally nominate their candidates, and greet the announced vice presidential running mates.

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As the chosen nominees then campaign for votes across the country and share their visions, they will explain their platforms to voters – and it's relatively safe to say that various proposals to change or drastically reform the federal tax code will be part of the conversation.

As the candidates' respective tax plans are scrutinized, the resulting federal budget implications and their expenditure policies will be front-and-center in the dialogue. What's likely to get side-tracked in this debate, however, are the potential repercussions for the states – how the various federal tax reform plans may impact revenue collections, tax structures, and borrowing at the state and local levels – thereby leaving it up to state policymakers to respond to the federal changes after the fact.

Take, for example, the recently enacted federal Protecting Americans from Tax Hikes Act of 2015. That legislation made permanent several lapsed business incentives, including the research credit and the subpart F exception for active financing income; renewed a handful of taxpayer-friendly provisions (such as bonus depreciation) for five years; and extended various other tax benefits through 2016 – all without much analysis afforded to the resulting effect on state corporate income tax collections.

These recently enacted federal tax law changes may have a significant effect on state corporate income taxes depending on a state's adoption of the Internal Revenue Code (IRC) and/or its conformity updates, as well as the state's IRC decoupling provisions, modifications, variations, and/or exceptions.[1] However, the states have been left to decide if, when, and/or how they will adopt these federal tax law changes in the context of their respective budgetary and political landscapes – often not making such determinations until well into their own impacted corporate tax filing seasons.

Change and IRC conformity on the campaign trail

The federal tax reforms made in 2002[2] may provide some insight as to how – if at all – the states may react to any upcoming federal corporate income tax reforms. The federal tax law changes enacted as part of the Job Creation and Worker Assistance Act of 2002 first implemented the federal bonus depreciation deduction to help encourage investment in certain new equipment and manufacturing machinery. Prior to this change, most states had generally incorporated the federal tax calculation of depreciation in their own respective state corporate income tax computation and thus were directly impacted by the increased federal deduction. As a result of this change, within seven months of the federal enactment of bonus depreciation, 23 states and the District of Columbia had taken legislative action to wholly or partially decouple from these federal provisions to avoid the resulting revenue loss in their own economically stressed state and local environments.[3]

Another state response to resulting tax collection reductions from a flow-through effect of federal changes may be to couple with the IRC changes, but then increase state corporate income tax rates and/or eliminate certain other existing state business incentives or preferences to offset the resulting revenue loss – a move that is not often well-received in a sluggish or struggling state and local economy.

On the flip side, federal tax reform that reduces or eliminates certain deductions, credits, and exclusions (including, for example, transfer pricing or debt re-characterization-related reforms that may result in reduced deductions) may flow through to the states and potentially result in increased state and local revenues. In such cases, the local budgetary and political environment may be crucial in determining how a state responds.

For instance, state policymakers may opt to conform to the federal changes to ease the associated taxpayer compliance burdens and essentially reap the benefits. They may perhaps also implement ever-popular tax rate reductions or other pro-business incentives and preferences to offset some of the resulting state revenue gains.

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[1] Additional details regarding the multistate tax impact of the federal PATH Act's "business extenders" provisions are available in our Multistate Tax Alert, January 14, 2016.
URL: http://www2.deloitte.com/us/en/pages/tax/articles/multistate-tax-alert-multistate-impact-of-federal-path-act-business-extenders-provisions.html?id=us:2em:3na:usic:awa:tax:062016
[2] P.L. 107-147; H.R. 3090 107th Cong. (Mar. 9, 2002) – Job Creation and Worker Assistance Act of 2002.
[3] The Pew Charitable Trusts, "What States Have at Stake in Federal Tax Reform Proposals" by Anne Stauffer and Mark Robyn. (July 22, 2015).

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Should state policymakers choose to decouple from such federal tax changes, they may maintain the status quo for state corporate income tax collections but may also run the risk of augmented complexity in the state tax code, as well as increased state and local tax compliance and enforcement costs.

Potential state impact of proposed federal changes

Aside from various federal corporate income tax proposals potentially impacting the calculation of federal taxable income (and thus potential state conformity or nonconformity to the IRC), there has also been discussion among the US presidential candidates over a host of other proposed federal tax changes that could impact the states, such as drastic corporate tax rate reductions coupled with broadened tax bases. From a state perspective, this move may potentially result in tax-exempt government bonds becoming less attractive and cause heightened borrowing costs for both state governments and local municipalities.

Another proffered change involves replacing the federal corporate income tax with a business transfer tax (often cited as a value-added tax (VAT)) – thereby leaving states to decide whether it would be better to revamp their own corporate income and indirect tax systems to conform or instead maintain their current tax administration scheme and structures. If a federal carbon tax is implemented, fossil fuel-producing states may be faced with increased demands from impacted businesses to provide some sort of state and local corporate income tax relief.

A possible tax increase on "carried interest" income – generally earned by certain high net-worth individuals – has also been suggested, and may impact revenue generated at the state and local levels not only from such individuals, but also from the underlying pass-through entities and the lower-tier corporate structures.

The general ongoing federal tax campaign to curb perceived international "domicile shifting" – which is arguably intensified with the Organization for Economic Co-operation and Development's (OECD) continuing global project to identify solutions to the so-called base erosion and profit shifting (BEPS) problem – may also play an important role in influencing state lawmakers to enact their own revenue-generating legislation addressing the income and apportionment factors of related corporations incorporated or doing business in purported foreign "tax haven" jurisdictions.

Lastly, at a very high level, because many states rely on federal grants for vast portions of their own respective budgets, any federal tax reform policies that significantly impact the federal budget (i.e., drastically increasing the current deficit, or resulting in a surplus) may have consequent significant state repercussions as such changes would ultimately impact state coffers for transportation, education, Medicaid, housing, and public safety funds.

These potential impacts fall most heavily on those states that, unlike the federal government, are required by their own respective state laws to maintain a balanced budget.

It remains to be seen how the states will respond to another set of tax law changes at the federal level; the only certainty seems to be that it will be reactive. Much of it will largely depend on what kinds of federal tax reforms are ultimately enacted and implemented under the new president's administration, and how much revenue must be raised to meet state budgetary demands. All this occurring as state and local governments strive to manage a slow economic recovery and generate more revenue, while many state lawmakers continue to promote "tax relief" and reduced tax burdens as the best means for growing their state and local economies.

— Valerie Dickerson (Washington, DC)
Partner
Deloitte Tax LLP
vdickerson@deloitte.com

Shona Ponda (New York)
Senior Manager
Deloitte Tax LLP
sponda@deloitte.com

Australia Tax Alert: Budget includes new DPT and BEPS rules

Australia's federal budget 2016-17, announced on 3 May 2016, contains some very significant changes that would affect multinationals with Australian subsidiaries, including the introduction of a diverted profits tax (DPT) and anti-hybrid measures and the implementation of the OECD transfer pricing recommendations under the base erosion and profit shifting (BEPS) initiative.

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The combination of the BEPS program, the Australian government's inquiry into corporate tax avoidance, a very public tax reform debate and intense media interest has resulted in a changed expectation of multinationals in relation to transparency and tax planning, and an increased community expectation for regulators to take a harder line in dealing with tax avoidance.

The government has strongly supported the international developments through its leadership of the G20 and via the OECD BEPS agenda. In addition, Australia has moved on a number of fronts in recent years, including new transfer pricing rules, tightening the thin capitalization rules and, most recently, introducing the Multinational Anti-Avoidance Law (MAAL) (for prior coverage, see *World Tax Advisor*, 11 December 2015).
URL: http://newsletters.usdbriefs.com/2015/Tax/WTA/151211_3.html

Diverted profits tax

When then-Treasurer Hockey met with the UK Chancellor in Washington, DC in April 2015 to announce "the urgent establishment of a joint working group to further consider and develop initiatives in relation to diverted profits by multinational enterprises," that set in motion the process that led to the MAAL, which is similar to the first limb of the UK DPT (for prior coverage, see Australia tax alert, 11 May 2015).
URL: http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-alert-australia-11-may-2015.pdf

This year's budget extends the focus on diverted profits by including a measure based on the second limb of the UK DPT. The government has released a consultation paper and is seeking submissions by 17 June 2016.

The Australian DPT would commence on 1 July 2017 and would be a tax applicable to significant global entities (turnover of AUD 1 billion or more) that use artificial or contrived arrangements to reduce tax by diverting profits offshore. The Australian DPT would:

- Impose a 40% tax on profits transferred offshore through related party transactions with insufficient economic substance that reduce the tax paid on the profits generated in Australia by more than 20%;
- Apply where it is reasonable for the Australian Taxation Office (ATO) to conclude, based on the available information, that the arrangement is designed to secure a tax reduction;
- Provide the ATO with more options to reconstruct the alternative arrangement on which to assess the diverted profits;
- Impose a liability when the ATO determines that the DPT applies;
- Require upfront payment of any provisional DPT liability, which could be adjusted only following a successful review of the assessment; and
- Place the burden on taxpayers to provide relevant and timely information on offshore related-party transactions to demonstrate why the DPT should not apply.

The DPT builds on Australia's existing measures, including strong transfer pricing rules. It is expected that it would increase compliance by multinationals, encourage greater openness with the ATO, address information asymmetries and allow for speedier dispute resolution.

Combined, the MAAL and the DPT are expected to raise around AUD 650 million in tax revenue over four years.

Anti-hybrid rules

In May 2015, the government announced that the Board of Taxation (BOT) would consult on the implementation of anti-hybrid rules in accordance with the OECD's recommendations under action 2 of the BEPS project. The terms of reference included a request that the BOT report to the government by March 2016 "to allow this issue to be considered as part of the 2016 Budget." The government now has released the BOT report and confirmed that Australia will introduce anti-hybrid rules, modelled on the OECD BEPS recommendations, with effect from the later of 1 January 2018 or six months after the legislation is passed.

Australia is one of the first wave of countries adopting anti-hybrid rules. Taxpayers in Australia will need to continue to monitor the changing legislative framework of countries in which they do business to accurately assess how Australia's rules will interact with those of foreign jurisdictions, and the related impact on the tax outcomes arising under their financing arrangements.

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The proposed rules are expected to affect the tax outcomes arising from a number of commonly used financing approaches in Australia. Taxpayers should consider the potential application of the rules to their financing structures and the associated tax, financial reporting, legal and treasury issues that may arise – including the potential need to refinance existing structures. The BOT report also notes the potential for Australia's general anti-avoidance rule (Part IVA) to apply to "artificial or contrived" replacement structures.

Transfer pricing

The government would amend the tax legislation to ensure Australia's transfer pricing rules are consistent with the new OECD guidelines arising from the BEPS project, with effect from 1 July 2016. The government notes that the "new rules will make clearer how intellectual property and other intangibles can be priced and that it is the substance rather than the contractual form of a transaction that forms the basis of taxable activity."

Other anti-avoidance proposals

- The government wants to improve disclosure of taxpayer information to the ATO, and would develop new rules requiring tax and financial advisors to report potentially aggressive tax planning schemes. A treasury discussion paper called "OECD proposals for mandatory disclosure of tax information" has been released, with submissions due by 15 July 2016.
- A range of maximum penalties would be increased for groups with global income of AUD 1 billion or more (significant global entities), including penalties for failing to timely file tax returns, business activity statements, country-by-country reports and similar tax documents. The new penalties could be up to AUD 450,000 and would apply as from 1 July 2017. The quantum of these penalties represents an increase by a factor of 100 to the previous rules. Penalties for false and misleading statements made to the ATO also would be doubled. These new penalties would send a clear message that the government will not tolerate inaccurate or delayed tax reporting.
- As from 1 July 2018, new whistleblower protections would apply to persons who disclose information about tax misconduct to the ATO. The new arrangements would protect tax whistleblowers against identity disclosure, victimization and civil and criminal action for disclosing information.
- The government has released further details on a new tax avoidance taskforce. The new taskforce was first announced on 3 February 2016, with the aim to reassure the Australian public that "businesses operating in Australia are paying their fair share of tax on the economic activity taking place in Australia." Among other things, the new taskforce would play a critical role in implementing the BEPS recommendations and would provide regular progress reports to the government. The taskforce is expected to provide international leadership in its approach to cracking down on multinational tax avoidance. It is expected that the new specialized officers would possess expanded skillsets to fully exploit the significant levels of information and data available to the ATO.

Other measures affecting companies

Corporate tax rate reduction: The budget outlines a "10-year enterprise tax plan to support jobs and growth," a key component of which would be a reduction in the company tax rate, moving to a 25% rate for all companies by 2026-27.

Currently, the company tax rate is 28.5% for companies with a turnover of less than AUD 2 million, and 30% for all other companies. The 10-year plan involves progressively raising the turnover threshold for companies to benefit from the reduced company tax rate, while also reducing the rates (applicable to companies above and below the threshold) over time.

The government notes that Australia currently has the seventh-highest company tax rate of the 34 OECD countries, and a rate that is much higher than neighboring Asian countries. The intention is for Australia to move to the "middle of the pack" on company tax rates. Although the 10-year plan is somewhat complex in its implementation, the trend to a lower tax rate is to be encouraged. However, it should be noted that many countries with which Australia is competing on the global stage already have a company tax rate lower than 25%,and this downward global trend is expected to continue, while significant changes to the Australian rate would not apply for the better part of a decade.

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Voluntary corporate disclosure code: The government has confirmed the final details of a new voluntary corporate tax disclosure code, based on the recommendations of the BOT (for prior coverage, see *World Tax Advisor*, 24 July 2015).
URL: http://newsletters.usdbriefs.com/2015/Tax/WTA/150724_bc.html

As part of the 2015-16 budget, the Treasurer asked the BOT to develop a new voluntary code for greater public disclosure of tax information by businesses, particularly large businesses. As a result, the BOT issued a consultation paper on a Voluntary Tax Transparency Code on 11 December 2015. After consultation, the BOT issued its final report in February 2016, and the government now has released the BOT report.

The code would encourage businesses with an annual turnover of at least AUD 100 million to publish a range of tax information, including the Australian taxes they pay. The government encourages all companies to adopt the code as from the 2016 financial year.

Measures to promote the Australian funds management industry: New collective investment vehicle (CIV) structures would be created to attract foreign investors. A new corporate CIV would be available from 1 July 2017 that would allow Australian funds managers to offer investments through a company structure. From 1 July 2018, a limited partnership CIV also would be introduced (such vehicles commonly are used overseas to facilitate wholesale investment by large investors, such as pension funds). Creating these new structures should encourage foreign investment, as well as allow Australia to leverage off the existing strong funds management sector by exporting funds management services from Australia.

— Amin Nosrat (Houston)
Partner
Deloitte Tax LLP
anosrat@deloitte.com

Jonathan Hill (New York)
Partner
Deloitte Tax LLP
jonhill@deloitte.com

Calendars to watch

Each edition, be sure to mark your calendars for some of the more important events (recent and upcoming) as well as tax developments making in impact on businesses investing into the United States.

Recent and upcoming activities

June 15 — **Dbriefs webcast archive:** State tax implications of proposed section 385 regulations: Addressing new complexities
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URL: http://www2.deloitte.com/us/en/pages/dbriefs-webcasts/events/june/2016/dbriefs-state-tax-implications-of-proposed-section-385-regulations-addressing-new-complexities.html?id=us:2em:3na:usic:awa:tax:062016

June 13 — **Dbriefs webcast archive:** Business transactions, their tax accounting challenges, and other financial reporting updates
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Recent tax developments

April 6 **United States Tax Alert:** Anti-Inversion Guidance: Treasury Releases Temporary and Proposed Regulations
URL: http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-alert-united-states-6-april-2016.pdf

April 6 **United States Tax Alert:** Proposed Regulations Addressing Treatment of Certain Interests in Corporations as Stock or Indebtedness
URL: http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-alert-united-states-6-april-2016-proposed-regulations.pdf

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