Japanese Service Group
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Tax Reform Proposal from 2016 Presidential Candidate

Democratic presidential nominee Hillary Clinton and Republican nominee Donald Trump largely stuck to familiar talking points on tax policy during their first one-on-one debate at Hofstra University on September 26, offering broad-based defenses of their respective tax plans and lobbing equally general criticisms at each other's proposals.

Trump: Giving business a reason to stay

Trump, who has proposed to cut the US corporate tax rate to 15 percent (from 35 percent) argued that the primary problem facing the US economy is the steady loss of jobs as companies relocate overseas to take advantage of lower tax rates. His proposal – which he said would apply to "small and big businesses," would reverse this trend by offering job creators an incentive to stay.

Repatriation

Alluding to his proposal for a deemed repatriation of previously untaxed foreign-source income of US multinationals at a tax rate of 10 percent, Trump noted that his plan also would encourage companies to bring back what the Joint Committee on Taxation staff recently estimated to be $2.6 trillion in foreign-source earnings currently trapped overseas. Those repatriated funds, he added, could be funneled into domestic priorities. (Trump's repatriation proposal is part of a broader international reform plan that, going forward, would repeal deferral on active foreign-source income.)

Tariffs

Trump also suggested that his administration would actively discourage domestic companies from relocating jobs offshore by imposing a tariff on any products that companies exiting the US seek to export back into the country.

Individual tax cuts = Job growth

Asked by moderator Lester Holt to defend his proposed tax cut for the nation's wealthiest individuals, Trump – who among other things has proposed to collapse the current seven individual rates to three brackets of 12, 25, and 33 percent and eliminate the estate tax – replied that tax relief for those at the upper end of the income scale will encourage them to expand their businesses, leading to job growth for the lower- and middle-classes.

Trump also pushed back against assertions that his tax plan is too heavily skewed to the rich, citing as an example his proposal to tax carried interest income as ordinary rather than capital gain, which he characterized as "not a great thing for the wealthy. It's a great thing for the middle class. It's a great thing for companies to expand."

Noting that the US is in the midst of what he called "the worst revival of an economy since the Great Depression," Trump argued that Clinton's proposed tax plan, which relies on eliminating many current-law corporate tax expenditures and increasing taxes on wealthier individuals, would "drive business out."

Clinton: Building up the middle class

Clinton, meanwhile, argued that the US has "pulled back from the abyss" of the 2008 financial crisis and is now "on the precipice of having a potentially much better economy," but that Trump's tax cuts for corporations and the wealthy would explode the deficit and lead to a loss of jobs. (The nonpartisan Tax Foundation recently estimated that under a traditional "static" scoring model Trump's revised plan would reduce federal revenues by between $4.4 trillion and $5.9 trillion over 10 years, depending on exactly how his proposal for taxing business passthrough income is intended to operate. Those estimates drop to between $2.6 trillion and $3.9 trillion, respectively, under a "dynamic" scoring model that takes into account the macroeconomic impact of Trump's proposals.)

Clinton advocated "a tax system that rewards work and not just financial transactions." She characterized Trump's tax plan as an "extreme version" of "trickle-down economics" and cautioned this his approach is "not how to grow the economy."

A 'fairer' economy

In contrast to Trump, Clinton called for creating a "fairer" economy through investing in infrastructure, advanced manufacturing, and clean energy; encouraging businesses to participate in profit sharing; and focusing on middle-class pocketbook issues such as affordable child care and debt-free higher education. These priorities would be paid for through proposed tax increases on upper-income individuals and corporations, who, she argued, have "made all the gains in" the current economy. Under her plan, the wealthy would face higher tax rates on ordinary and capital gain income, a cap on the value of their itemized deductions, and higher estate tax rates, while corporations would lose some deductions, credits, and incentives available under current law, face new taxes in certain cases (for example, a new “risk fee” on large financial institutions), and encounter tighter statutory constraints on their ability to redomicile.

Higher taxes on the wealthy = A stronger middle class

In response to a question from Holt, Clinton characterized her proposed tax increases on the wealthy as an investment in building a strong middle class and promoting economic growth.

“I think building the middle class, investing in the middle class, making college debt-free so more young people can get their education, helping people refinance their debt from college at a lower rate, those are the kinds of things that will really help boost the economy. Broad based, inclusive growth is what we need in America, not more advantages for the people at the very top,” she said.

Clinton also argued that “a lot of really smart, wealthy people” share her vision.

“They’re saying, hey, we need to do more to make the contributions we should be making to rebuild the middle class,” she said.

Support for repatriation incentive?

For the most part, Clinton addressed her corporate tax proposals only in terms of eliminating perceived “loopholes.” But in one brief exchange with Trump she appeared to suggest – without elaboration – that she could “support” some form of a repatriation tax incentive “in a way that will actually work to our benefit.”

Aside from provisions targeted at preventing inversions and the offshoring of US jobs, Clinton has not formally proposed specific changes to the tax rules governing US multinationals; however, President Obama and Democratic leaders such as Senate Finance Committee member Charles Schumer of New York, as well as House Republicans in their 2016 tax reform blueprint, have supported so-called “deemed” repatriation provisions as part of broader international tax reform plans that include an infusion of one-time revenue for infrastructure spending.
URL: http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-taxnewsandviews-160930.pdf

New Reporting Obligations on Domestic Disregarded Entities

On May 10, 2016, as part of a comprehensive effort to increase transparency and enforce US tax laws, Treasury and the Internal Revenue Service (IRS) issued proposed regulations (REG–127199–15) (the "Proposed Regulations") that would impose new reporting obligations on certain domestic DREs. These new obligations include reporting and recordkeeping requirements similar to those found in section 6038A for 25% foreign-owned domestic corporations.

Currently, certain domestic business entities, such as single-member LLCs, are not obligated to file income or information returns, are not required to obtain Employer Identification Numbers ("EINs"), and do not have associated recordkeeping obligations. All such obligations are imposed directly upon the owner. This is generally a sufficient solution except when the domestic DRE is wholly owned by a foreign person without reporting obligations to the IRS, because the foreign person is not engaged in a US trade or business, does not receive effectively connected income, and only receives certain types of US-source income that is properly withheld at its source.

The Proposed Regulations would extend the following obligations to domestic DREs that are wholly-owned by a foreign person:

- The filing of an annual Form 5472 (Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business) with respect to reportable transactions between the domestic DRE and its foreign owner or other related parties;
- The maintenance of book and records sufficient to establish the accuracy of the Form 5472 and the correct US tax treatment of such transactions; and
- The requirement to obtain an EIN for purposes of filing the Form 5472.

Additionally, the scope of "reportable transactions" under the Proposed Regulations would expand to cover any transaction currently governed by Treas. Reg. § 1.482-1(i)(7), including any sale, assignment, lease, license, loan, advance, contribution, or other transfer of any interest in or a right to use any property or money, as well as the performance of any services for the benefit of, or on behalf of, another taxpayer. For example, contributions to and distributions from DREs would be considered reportable transactions with respect to such entities.

The recordkeeping regime for DREs imposed by the Proposed Regulations would not provide the current exemptions for small corporations or de minimis reportable transactions that exist for domestic corporations. Moreover, reportable transactions would have to be reported under the Proposed Regulations even if the income resulting from those transactions is already subject to reporting under different provisions; Treasury and the IRS request comments on possible alternative methods for reporting the DRE's transactions in these cases.

According to Treasury and the IRS, "these Proposed Regulations would not alter the framework of the existing entity classification regulations, including the treatment of certain entities as disregarded." Rather, their purpose is to ensure that the IRS has "improved access to information that it needs to satisfy its obligations under US tax treaties, tax information exchanges and similar international agreements, as well as to strengthen the enforcement of US tax laws." As stated in the White House Fact Sheet concerning the Proposed Regulations, they are part of a comprehensive framework geared towards "strengthening the global financial system and providing greater transparency," as well as stemming the use of "anonymous shell companies and other legal entities" to hide or "launder proceeds from corruption or other illegal activities, finance criminal activity or even terrorism, evade international sanctions regimes, or evade taxes."

If adopted as final, the Proposed Regulations would be applicable to taxable years ending on or after the date that is 12 months after the date the Proposed Regulations are published as final regulations.

URL: https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-gir-treasury-proposed-regs-on-dres-051016.pdf

Final/Temporary Regulations Address Treatment of Certain Interests in Corporations as Stock or Indebtedness

On October 13, 2016, the United States Treasury and the IRS released final and temporary regulations under section 385 of the Internal Revenue Code (the “385 Regulations”) that (i) establish threshold documentation requirements that ordinarily must be satisfied in order for certain related-party interests in a corporation to be treated as indebtedness for U.S. federal income tax purposes; and (ii) treat as stock certain related-party interests that otherwise would be treated as indebtedness for U.S. federal income tax purposes.[1]

Background

The 385 Regulations follow the issuance of, and are significantly narrower in scope than, the proposed regulations issued on April 4, 2016, under section 385 (the “Proposed Regulations”) that would have (i) authorized the IRS to treat certain related-party interests as part stock and part debt for federal tax purposes; (ii) established contemporaneous documentation requirements that must be satisfied for certain related-party debt to be respected for federal tax purposes; and (iii) treated certain related-party debt as stock for all purposes of the Code when issued in connection with certain distributions and acquisitions.[2]

Scope: Debt Issued by Domestic Corporations to Related Parties

The 385 Regulations apply to debt instruments issued by a domestic corporation to certain related persons. More specifically, the 385 Regulations apply to debt instruments that are: (i) issued by a “covered member,” which is currently defined to mean a domestic corporation, or a disregarded entity of a covered member; and (ii) held by a member of the domestic corporation’s “expanded group,” which generally includes all corporations connected to a common parent that owns, directly or indirectly, 80% of the vote or value of each such corporation.

- Exclusion of foreign issuers – The term “covered member” is not currently defined to include foreign issuers (including CFCs) and the 385 Regulations reserve on all aspects of their application to foreign issuers (including CFCs); however, the preamble to the 385 Regulations (the “Preamble”) indicates that any guidance that may subsequently be issued with respect to foreign issuers will apply prospectively only.

- Exclusion of S corporations and non-controlled RICs and REITs – S corporations and non-controlled regulated investment companies (RICs) and real estate investment trusts (REITs) are exempt from all aspects of the 385 Regulations.

- Exclusion of debt instruments held by a consolidated group member – Debt instruments between members of the same consolidated group are generally outside the scope of the 385 Regulations.

Observations: The 385 Regulations target the inbound financing of a foreign-parented multinational group’s domestic subsidiaries, but do not currently address the financing of such group’s U.S. branch operations. Further, the 385 Regulations can be expected to have limited application to U.S.-parented multinational groups, particularly where the group’s domestic corporations join in filing a consolidated return.

Bifurcation Rule Eliminated

Unlike the Proposed Regulations, the 385 Regulations do not include a general bifurcation rule, which would have allowed the IRS to treat a single instrument as part debt and part equity.

Documentation Rules

Treasury Regulation §1.385-2 (the “Documentation Rules”) imposes contemporaneous documentation requirements on certain related-party debt instruments as a prerequisite to

[1] TD 9790.
[2] REG 108060-16, 81 Fed. Reg. 20912.

treating such instruments as debt. The rules generally require written documentation of the following four indebtedness factors (the "Indebtedness Factors"): (i) the issuer's unconditional obligation to pay a sum certain, (ii) the holder's rights as a creditor, (iii) the issuer's ability to repay the obligation, and (iv) the issuer's and holder's actions evidencing a debtor-creditor relationship, such as payments of interest or principal and actions taken on default. With respect to credit facilities, revolvers, omnibus, master and cash pooling arrangements, the Documentation Rules provide special rules to satisfy Indebtedness Factors (i) through (iii).

As compared to the Proposed Regulations, the 385 Regulations incorporate the following significant changes:

- Extension of period required for timely preparation – The 385 Regulations eliminate the Proposed Regulations' 30-day timely preparation requirement, and instead treat documentation and financial analysis as timely prepared if it is prepared by the time that the issuer's federal income tax return is filed (taking into account all applicable extensions).

- Rebuttable presumption based on compliance with documentation requirements – The 385 Regulations provide that, if an expanded group is otherwise generally compliant with the documentation requirements, then a rebuttable presumption, rather than the per se recharacterization as stock, applies in the event of a documentation failure with respect to a purported debt instrument.

- Relaxed credit analysis – The 385 Regulations provide that an annual credit analysis may be used to support an issuer's ability to repay multiple debt instruments, rather than requiring separate credit analyses for each debt issuance. An annual credit analysis cannot be used, however, after the issuer suffers a "material event," which generally includes, but is not limited to, bankruptcy, insolvency, and disposition of more than 50% of the FMV of its assets. The rules also provide that the analysis of an issuer's ability to repay can assume that the principal amount of a debt instrument will be satisfied with the proceeds of another borrowing by the issuer, provided that such assumption is reasonable.

- Notional cash pooling arrangements are potentially in scope – The 385 Regulations provide that the written documentation requirements for Indebtedness Factors (i) and (ii) that are otherwise applicable to credit facilities, revolvers, omnibus, master and cash pooling arrangements are also applicable to notional cash pooling arrangements, if such arrangements would be treated as debt issued between expanded group members.

- Trade payables may be covered by master agreements – The 385 Regulations clarify that master agreements can be used to satisfy the written documentation requirements for trade payables.

- Treatment of disregarded entities – Unlike the Proposed Regulations, the 385 regulations provide that if a debt instrument issued by a disregarded entity ("DRE") is recharacterized as equity due to failure to satisfy the Documentation Rules, then such debt will be treated as equity in the covered member that owns the issuing DRE. In other words, failing the Documentation Rules will not spring a DRE into a partnership.

- Treatment of debt instruments issued by controlled partnerships – The 385 Regulations also exclude debt instruments issued by controlled partnerships from the Documentation Rules, unless issued with a principal purpose of avoiding the application of the Documentation Rule

Observations: As a general matter, the 385 Regulations are less strict and more administrable than the Proposed Regulations. Similar to the Proposed Regulations, however, it is unclear how a cash pool header that takes on deposits would evidence its ability to repay. Further, while the 385 Regulations do not automatically disregard notional cash pooling arrangements as conduits, the reference to such arrangements suggests that the government will pay more attention to them in the future; accordingly, taxpayers should reconsider the documentation and operation of their notional cash pooling arrangements. Finally, despite the delayed implementation date, taxpayers should consider preparing written documentation of the four indebtedness factors for debt instruments issued prior to January 1, 2018 under general U.S. federal income tax principles.

- Delayed implementation – The 385 Regulations apply only to debt instruments issued on or after January 1, 2018.

- The documentation rules apply to taxable years ending on or after the date that is 90 days after the date the 385 Regulations are published in the Federal Register.

Debt Recast Rules

Treasury Regulation §1.385-3 and Temporary Treasury Regulation. §385-3T (together, the "Debt Recast Rules") generally adopt the following operative rules of the Proposed Regulations in targeting debt instruments issued in connection with distributions and certain acquisitions by members of the Expanded Group:

- A "General Rule" that applies if a domestic corporation distributes a debt instrument, or issues a debt instrument as consideration to acquire expanded group stock or issues a debt instrument as boot that is received by an expanded group member in an asset reorganization; and

- A "Funding Rule" that generally recharacterizes certain debt as equity if a domestic corporation distributes property other than debt, acquires stock for property other than debt, or issues boot other than debt in an asset reorganization, if the domestic corporation has issued such debt instrument within a 36-month period before or after one of the foregoing transactions, or the debt was otherwise issued with a principal purpose of funding one of the foregoing transactions.

As compared to the Proposed Regulations, the 385 Regulations incorporate the following significant changes:

- Certain debt instruments excluded – The following debt instruments are excluded from the scope of the Debt Recast Rules: (i) debt instruments issued before April 5, 2016; (ii) debt instruments issued by a regulated financial or insurance company, in each case as defined in the 385 Regulations; (iii) certain debt instruments that are issued by a domestic corporation to, or acquired by, a dealer in securities; and (iv) certain short-term debt instruments that are either issued for property other than money in the ordinary course of business, or have a short term and meet a number of conditions in the 385 Regulations.

- Expanded and Added Exceptions:
  - ✓ Subsidiary stock exception – The 385 Regulations retain and broaden the subsidiary stock exception in the Proposed Regulations to cover not only acquisitions of expanded group stock by issuance, but also acquisitions of expanded group stock from other members of the Expanded Group, in each case so long as the acquirer controls the issuer or seller immediately after the acquisition. As with the Proposed Regulations, control means direct or indirect ownership of 50 percent of the combined voting power and value of the corporation.
  - ✓ Earnings & profits exception – The earnings and profits exception has been retained and continues to apply by reducing the amount of debt reclassified as stock based on the order in which the prohibited transactions occur. However, the exception has been broadened to include not only current earnings and profits but also earnings and profits that were accumulated by the member in taxable years ending on or after April 5, 2016. The exception provides several limitations and anti-avoidance provisions. Primarily, the amount of earnings and profits available to reduce prohibited transactions engaged in by the domestic corporation is limited to only those earnings and profits that were accumulated by the domestic corporation while it continued to have the same expanded group parent. In addition, there is a "look-through" rule that disregards earnings and profits of lower-tier subsidiaries that are distributed up the chain of ownership if, generally, those earnings and profits were accumulated in taxable years ending before April 5, 2016, or were accumulated while the distributee was a member of a different expanded group.
  - ✓ "Net equity" contribution exception – There is a new exception for "net equity" contributions, where contributions of certain types of property to a corporation in exchange for its stock within a specified time frame may be applied to reduce the amount of prohibited transactions undertaken by the transferee corporation. The reduction is applied based on the order in which prohibited transactions have been undertaken by the transferee corporation.

- ✓ Threshold exception – The "cliff effect" of the threshold exception under the Proposed Regulations is removed, so that the first $50 million of debt instruments (measured by reference to adjusted issue price) is exempt from recharacterization, regardless of whether a taxpayer has issued more than $50million of debt instruments that are subject to recharacterization under the 385 Regulations.
- ✓ Other new exceptions – The 385 Regulations also incorporate a number of new exceptions, such as (i) acquisitions of stock to be used as equity compensation that is delivered to individuals that are employees, directors, and independent contractors as consideration for the provision of services, (ii) deemed distributions or acquisitions resulting from transfer pricing adjustments, (iii) acquisitions of stock by dealers in securities, and (iv) an exception to address the "cascading problem" by exempting acquisitions of expanded group stock resulting from the application of the rules as being treated as giving rise to additional prohibited transactions that could cause the 385 Regulations to apply again.

- Treatment of controlled partnerships – For purposes of the General and Funding Rules, the 385 Regulations adopt an aggregate approach to controlled partnerships. If there is an event that would otherwise result in the treatment of a controlled partnership's debt instrument as equity, in lieu of recharacterizing the debt instrument as stock, the expanded group member that holds the debt instrument is deemed to contribute its receivable from the controlled partnership to the expanded group partner that undertook the distribution or acquisition in exchange for stock in that expanded group partner (but only if the expanded group partner is otherwise a covered member). This is known as the "deemed conduit approach."

- Scrutiny of partnership preferred equity – The Treasury Department and the IRS state in the Preamble that they intend to closely scrutinize, and may challenge under the anti-abuse rule, transactions in which a controlled partnership issues preferred equity to an expanded group member and the Debt Recast Rules would have applied had the preferred equity been denominated as a debt instrument issued by the partnership.

Subject to certain transition rules, the Treas. Reg. §1.385-3 generally applies 90 days after the date on which the regulations are published in the Federal Register.

For debt instruments that have been issued after April 4, 2016, but before 90 days after the 385 Regulations are published, and where the 385 Regulations would have applied to recharacterize them as stock during this period, the debt instruments will not be recharacterized as stock until the 91st day after the 385 Regulations have been published. There are additional transition rules that deal with the treatment of certain payments with respect to such debt instruments outstanding during this transition period, as well as a rule that avoids double counting such debt instruments as both within the scope of the General Rule and the Funding Rule.

Finally, the 385 Regulations provide an option to taxpayers to elect to apply the Proposed Regulations in lieu of the 385 Regulations for specific issuers (and members of its expanded group that are domestic corporations) during the period from April 4, 2016, through October 13, 2016. The option is solely for the purpose of determining if a debt instrument is treated as stock and must be consistently applied by the taxpayer.

Consolidated Group Rules

Like the Proposed Regulations, the 385 Regulations treat members of a consolidated group as one corporation for purposes of applying the Debt Recast Rules. Generally, the Temporary Treasury Regulation §1.385-4T does not apply to issuances of interests and related transactions among members of a consolidated group, because the concerns addressed therein generally are not present when the issuer's deduction for interest expense and the holder's corresponding interest income offset each other in the group's consolidated federal income tax return. Special rules apply, however, when a debt instrument becomes, or ceases to be, a consolidated group debt instrument, or a consolidated group member that is a party to a debt instrument becomes, or ceases to be, a consolidated group member.

URL: http://www2.deloitte.com/us/en/pages/tax/articles/new-section-385-regulations.html

California: Treatment of Water's Edge Election for Non-electing Unitary Foreign Affiliates

Unitary foreign affiliates that are "doing business" in California for taxable year 2015 under California's economic nexus standard, and that are not eligible to apply California Franchise Tax Board (FTB) Notice 2016-02,[3] must file standalone California corporate franchise/income tax returns for taxable year 2015 and make their own water's-edge election. Failure to do so may potentially expose the worldwide group to California franchise/income tax.

Background on Notice 2016-02

Notice 2016-02 (the "Notice") provides guidance on how the FTB would treat an otherwise valid water's edge election when a non-electing unitary foreign affiliate of a water's-edge combined group becomes a "taxpayer" because it is "doing business" in California solely as a result of applying the economic nexus standard under California Revenue and Taxation Code (CRTC) section 23101(b), which became effective for taxable years beginning January 1, 2011.[4] Under California's economic nexus standard, taxpayers with sales into California in excess of the applicable threshold (e.g., for 2015, the lesser of $536,446 or 25% of the taxpayer's total sales) are "doing business" in California and thus required to file a California corporate franchise/income tax return.[5]

In general, if a unitary foreign affiliate is eligible to apply the Notice, then it will be deemed to have made a water's edge election along with the original members of the water's edge group. However, the Notice only applies in three specific situations, in each case provided that four conditions are met. Accordingly, the Notice does not apply to all potential situations—i.e., there are some situations for which a unitary foreign affiliate will not be deemed to have made a water's edge election with the original water's edge group. We have identified two such situations: (1) if the water's-edge combined group made a water's edge election in taxable years 2011 or after, and at the time of the election, the unitary foreign affiliate was subject to California tax because it met California's economic nexus standard, or (2) the unitary foreign affiliate becomes a California taxpayer due solely to California's economic nexus standard in taxable year 2017 or after.[6] In these two situations, the unitary foreign affiliate will not be deemed to have made a water's edge election along with the original water's edge group. Instead, it must file a separate return, make its own water's edge election, and pay the $800 minimum franchise tax.

In sum, a unitary foreign affiliate that becomes a California taxpayer under California's economic nexus standard, and that is not deemed to have made a water's edge election with the original water's edge group under the Notice, must file a separate California tax return, make its own water's-edge election, and pay the $800 minimum franchise tax.

Considerations

Given the variances that may exist in an organization's foreign operating structure, a case-by-case review is recommended to determine if each unitary foreign affiliate is "doing business" in California and, if so, whether or not Notice 2016-02 applies to treat

[3] Franchise Tax Board Notice 2016-02 (Sept. 9, 2016).
[4] Id.
[5] Cal. Rev. & Tax Code § 23101(b).
[6] Id.

the unitary foreign affiliate as having made a water's edge election with the original water's edge group. For taxpayers that do qualify to apply the Notice, consideration should be given to filing amended returns for prior years to apply the Notice to deem the unitary foreign affiliate to have elected water's-edge with the original water's-edge group.

URL: http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-statetaxmatters-160930.pdf

New York: Inclusion of Foreign Corporation on Combined Report

The New York Department of Taxation and Finance (Department) has issued updated frequently asked questions (FAQs) intended to further clarify corporate tax reform legislative amendments, many of which took effect for taxable years beginning on or after January 1, 2015. The update includes an explanation regarding whether an alien corporation that conducts a trade or business in New York is taxable under the Article 9-A state business corporation franchise tax, and could be included a combined report in a tax year in which it generates a US "effectively connected" loss. Responding affirmatively, the Department explains that if an alien corporation has income, gain, or loss that is effectively connected with a US trade or business, conducted in New York, it is considered a taxpayer under the state business corporation franchise tax. Also, if an alien corporation has income, gain, or loss that is effectively connected with a US trade or business, it is subject to the requirements of a state combined report.

URL: http://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-statetaxmatters-160916.pdf

Annual Deloitte Seminar: Audit, Tax, and Human Capital

Please join us for the annual Deloitte Seminar for US inbound businesses in Japanese, scheduled for November 8, 2016. This half-day event features an update on audit, corporate tax, individual tax, and human capital including the latest trends that impact US inbound businesses. This event may qualify for 3.5 CPE credits.

Date / Time:

November 8, 2016 (Tue)

1:00 – 1:30pm: Registration

1:30 – 5:20pm: Seminar

Location:

Miyako Hybrid Hotel

Nara & Kyoto Conference Room

21381 S. Western Avenue

Torrance, CA 90501

There is no cost to attend. For the registration and questions about this event, please send an email to Yuko Kobayashi at yukkobayashi@deloitte.com.

Talk to us

Please visit **www.deloitte.com/us/jsg** for additional information about Deloitte's Japanese Services Group. If you have questions or comments regarding the content of this newsletter, please contact one of the following leaders:

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