

Law360 Quotes Peter Barnes on Complying with OECD Pillar Two and TCJA

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Countries implementing the OECD-designed global minimum tax known as Pillar Two could face challenges similar to those U.S. lawmakers and drafters encountered in attempting to synchronize the tax policies of the 2017 Tax Cuts and Jobs Act with existing rules.

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Peter Barnes of Caplin & Drysdale said that the TCJA's tax on GILTI interacts with existing rules for Subpart F income and foreign tax credits and that it was implemented "without a lot of time to integrate it properly."

Barnes, who joined the firm in 2013 and has advised clients on the international tax changes in the TCJA, said taxpayers have struggled to comply with those layers of tax laws since the TCJA went into effect.

One lesson from the 2017 tax act, he said, is "you either have to have more time, which we didn't have in 2017, or you have to have a way to amend what you've done as the rules continue to be developed before they actually take effect."

To view the full article, please visit *Law360's* website (subscription required).

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