

Peter Barnes Weighs in on New Corporate Minimum Tax Law

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When President Biden signed the Inflation Reduction Act into law on Wednesday, he put in place a 15% minimum tax rate for all large U.S. corporations.

The long-awaited corporate tax reform should in theory be a big deal, but markets hardly flinched after it became clear the legislation would pass. And tech companies — which pulled out all the stops to hinder Sen. Amy Klobuchar’s antitrust bill — hardly resisted the measure, even if their interest groups dutifully issued statements of opposition. Tim Cook didn’t swing by D.C., there were no mass fly-ins and no casting calls went out for the part of Joe America in stilted political attack ads.

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“The biggest difference for many tech companies between their taxable income and their book income is stock option gain,” Peter Barnes, counsel to D.C. law firm Caplin & Drysdale, told *Protocol*. The stock option gain can be deducted from taxable income, Barnes explained, even as it doesn’t count against book income. Corporations have long argued that the government should support the deduction because it encourages good corporate behavior, aligning the interests of employees and owners.

To view the full article, please visit *Protocol’s* website.

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