

Wyden unveils discussion draft of international tax overhaul

Senate Finance Committee Chairman Ron Wyden, D-Ore., along with Senate Democratic taxwriters Sherrod Brown of Ohio and Mark Warner of Virginia on August 25 released a discussion draft of legislation to overhaul US international tax rules.

The discussion draft (text, section-by-section summary) builds on the international tax reform “framework” that the three senators released in April (for prior coverage, see *Tax News & Views*, Vol. 22, No. 17, Apr. 5, 2021). But it continues to leave some major questions unanswered, including, among other things, whether to incorporate the Stop Harmful Inversions and Ending Low-Tax Developments (SHIELD) regime as a replacement for the current-law Base Erosion and Anti-Abuse Tax (BEAT) as proposed by President Biden and the rate of tax that should be applied to global intangible low-taxed income (GILTI).

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210825_1_suppA.pdf

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210825_1_suppB.pdf

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210405_1.html

The proposal is sure to play a role in the debate going forward as congressional Democrats consider ways to pay for expansive legislation implementing many of President Biden’s social spending priorities, such as expanding access to pre-kindergarten education, affordable housing, child care, and paid family and medical leave, as well as addressing climate change.

Deloitte Tax LLP will release additional analysis of the proposal in the coming days.

Taxwriters request comments

Wyden has indicated that the Finance Committee is accepting comments on the discussion draft from stakeholders. Comments should be sent to InternationalTax@finance.senate.gov by September 3, 2021.

URL: <mailto:InternationalTax@finance.senate.gov>

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