

## US-Chile tax treaty scheduled for Senate Foreign Relations Committee consideration

In a sign that the long-delayed US-Chile tax treaty could be making progress toward Senate ratification, the Senate Foreign Relations Committee—after scrapping plans to take up the treaty at the business meeting it held this week—indicated that it intends to consider the agreement during its next business meeting, on March 29.

The tax treaty with Chile is one of several that were negotiated and signed before the Tax Cuts and Jobs Act of 2017 (TCJA, P.L. 115-97) was enacted but have been held up since then because of concerns that their language could be interpreted as overriding the TCJA's base erosion and anti-abuse tax (BEAT). (For prior coverage, see *Tax News & Views*, Vol. 20, No. 24, July 19, 2019.) The Treasury Department originally proposed to address the issue through "BEAT reservation" language to make clear that the treaties do not override the BEAT rules, but that proposal still ran into concerns in the Senate. Treasury has since renegotiated the US-Chile tax treaty to ensure conformity with the BEAT.

**URL:** [http://newsletters.usdbriefs.com/2019/Tax/TNV/190719\\_1.html](http://newsletters.usdbriefs.com/2019/Tax/TNV/190719_1.html)

The treaty had been on the agenda for the Foreign Relations Committee's March 23 business meeting, near the end of a list of 26 items scheduled for consideration, a development that supporters of the treaty viewed as a strongly positive sign. But it ultimately was held over and is currently listed among five items on the calendar for consideration on March 29.

If the treaty is approved by the Foreign Relations Committee, it will move forward to consideration by the full Senate once there is an agreement to approve it under unanimous consent or—more likely—when Democratic leadership schedules a floor vote. The treaty is expected to easily garner the necessary two-thirds majority (67 votes if all 100 senators are present and voting) needed for passage if it goes to the floor.

The Chilean government also would have to move the treaty through its own parliament.

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