

Deloitte Tax looks at interim guidance addressing corporate AMT and insurance companies

The Treasury Department and Internal Revenue Service issued interim guidance (Notice 2023-20) on February 17 addressing implications for the insurance industry of the 15 percent corporate alternative minimum tax on adjusted financial statement income of applicable corporations, which was enacted last August in the Inflation Reduction Act of 2022 (P.L. 117-169) and is effective for taxable years beginning after December 31, 2022.

URL: <https://www.irs.gov/pub/irs-drop/n-23-20.pdf>

URL: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>

Specifically, Notice 2023-20 discusses certain issues related to the treatment under the corporate AMT of life insurance company separate account assets that are marked to market for financial statement purposes, the treatment of certain items reported in other comprehensive income, and the treatment of embedded derivatives arising from certain reinsurance contracts.

The new guidance follows the release last December of Notice 2023-7, in which the government announced its intention to issue proposed regulations on the corporate AMT and provide additional interim guidance intended to help avoid unintended adverse consequences to the insurance industry from the application of the new tax. Notice 2023-7 also included interim guidance to clarify certain time-sensitive issues related to the corporate AMT.

URL: <https://www.irs.gov/pub/irs-drop/n-23-07.pdf>

Find out more

A new alert from Deloitte Tax LLP provides an overview of Notice 2023-20. (A Deloitte Tax alert discussing the initial guidance on the corporate AMT was released last December 30.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230303_4_suppA.pdf

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230106_3_suppA.pdf

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