

Provisions for Taxpayers with Cross-Border Activities

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On August 10, 2010, President Obama signed into law H.R. 1586 as Pub. L. No. 111-226 (the "Act"). Although the Act is popularly referred to as the **Education, Jobs and Medicaid Assistance Act**, it was officially enacted without a title. Included in this legislation are specific international tax provisions that will affect United States taxpayers with cross-border activities. A summary of the relevant international provisions of the Act is set forth in the 8 page summary which can be found at www.lumsdencpa.com/5.asp.

The topics highlighted in the summary include:

- Rules To Prevent Splitting Foreign Tax Credits From The Income To Which They Relate
- Denial Of Foreign Tax Credit With Respect To Foreign Income Not Subject To United States Taxation By Reason Of Covered Asset Acquisitions
- Separate Application Of Foreign Tax Credit Limitation, Etc., To Items Resourced Under Treaties
- Limitation On The Amount Of Foreign Taxes Deemed Paid With Respect To Section 956 Inclusions
- Special Rule With Respect To Certain Redemptions By Foreign Subsidiaries
- Modification Of Affiliation Rules For Purposes Of Rules Allocating Interest Expense
- Termination Of Special Rules For Interest And Dividends Received From Persons Meeting The 80-Percent Foreign Business Requirements
- Limitation On Extension Of Statute Of Limitations For Failure To Notify Secretary Of Certain Foreign Transfers

For a summary of the points mentioned above go to www.lumsdencpa.com/5.asp and click on **International Tax Alert, August 2010** or for more information contact Mark G. Janulewicz, CPA at 716-856-3300 or mjanulewicz@lumsdencpa.com.



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