



U.S. International Tax Alert

14 September 2009

Administration and JCT release additional information on Administration's FY 2010 Budget

JCT publishes *Description Of Revenue Provisions Contained In The President's Fiscal Year 2010 Budget Proposal*

The Joint Committee on Taxation (JCT) released on September 14, 2009, their *Description of Revenue Provisions Contained In The President's Fiscal Year 2010 Budget Proposal Part 3: Provisions Related To The Taxation of Cross-Border Income and Investment* (link below). Parts 1 and 2 were released on September 8th and 9th, respectively, and address the Administration's individual income tax, estate and gift tax, and business tax proposals. Part 3 summarizes the Administration's international tax and compliance proposals.

OMB issues new revenue estimates of Administration's FY 2010 Budget

On August 25, 2009, the Office of Management and Budget (OMB) published revised revenue estimates of the revenue provisions in the Administration's FY 2010 Budget in the OMB's report to the House of Representatives, *Mid-Session Review: Budget of the U.S. Government* (link below). However, the updates do not provide additional information on the international tax proposals themselves.

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Provision	Revenue Raised (billions)		
	Administration 5/2009 Projection	JCT 6/2009 Projection	Administration 8/2009 Projection
Reform check-the-box rules for foreign entities	86.5	31.1	36.5
Defer certain U.S. income tax deductions	60.1	51.5	52.9
Foreign tax credit reform: single pool of	24.5	45.6	24.5

§902 credits			
Foreign tax credit reform: matching foreign income and taxes	18.5	10.2	18.4
Foreign tax credit reform: dual capacity taxpayers	4.5	7.2	4.9
Definition of "intangible property" for §367(d) and §482 purposes	2.9	1.0	1.0
Repatriation of earnings in certain cross-border reorganizations	0.3	0.4	0.3
Repeal of 80/20 Company rules	1.2	0.8	1.3
Earnings stripping	1.2	1.5	1.2
Prevent avoidance of dividend withholding taxes in equity swaps, securities loans, repos	1.4	1.2	1.2
Enforcement proposals (effective beginning after December 31 of year of enactment)	8.7	8.8	8.7
Total for all international proposals	209.8	159.3	150.9

Links

Part 3 (JCS-4-09) is available on the JCT website at:
www.jct.gov/publications.html?func=startdown&id=3578

The full mid-session release by the OMB is available at:
http://www.whitehouse.gov/omb/assets/fy2010_msr/10msr.pdf

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