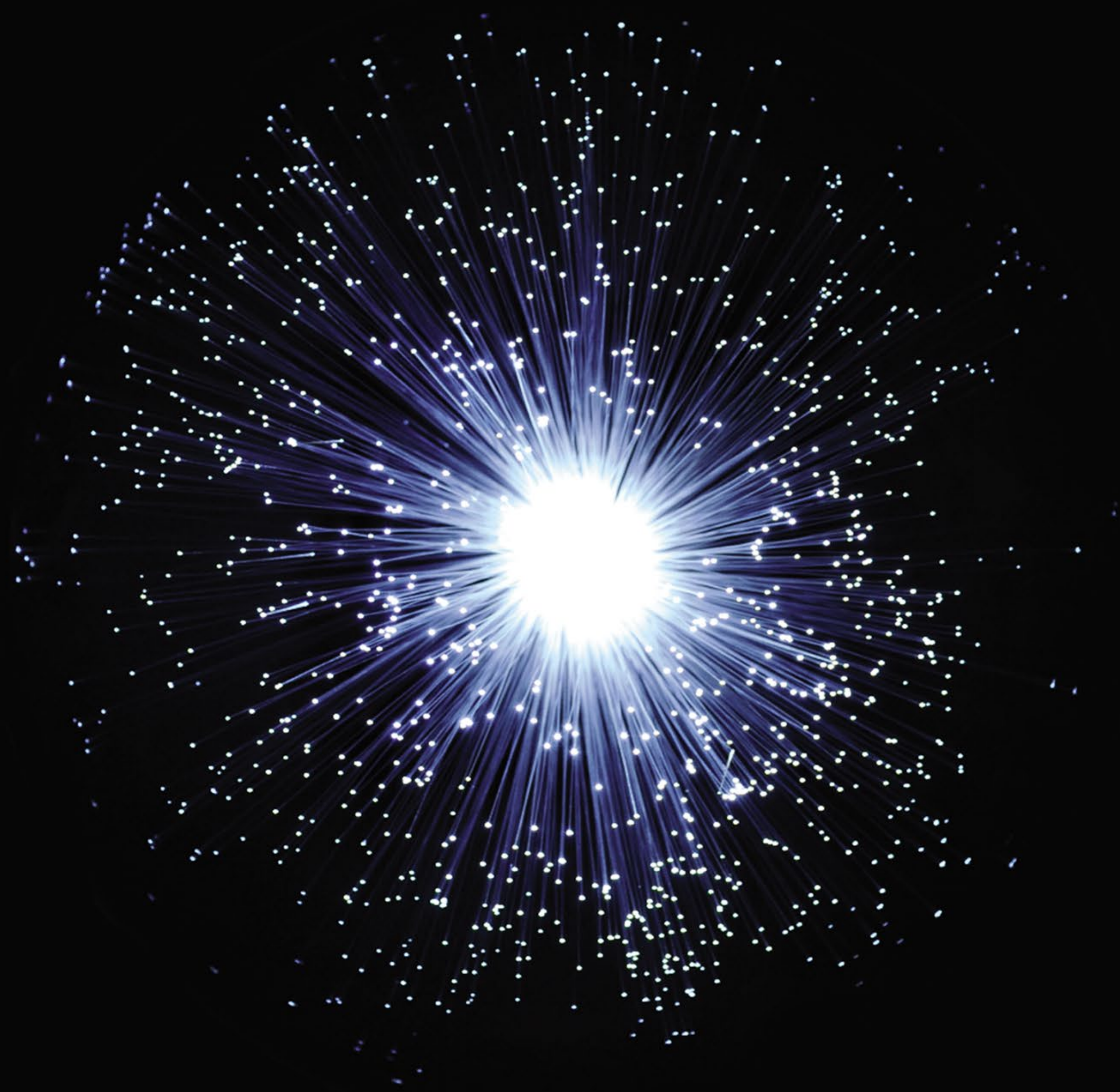

Global Tax Developments Quarterly
Accounting for Income Taxes

Summary of recent international tax developments that may have implications on accounting for income taxes under US GAAP

April 1, 2019 – June 30, 2019
July 22, 2019
Issue 2019-2

Contents

Introduction

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Unless otherwise indicated, the content in this document is based on information available as of July 1, 2019. Accordingly, certain aspects of this document may be updated as new information becomes available. Financial statement preparers and other users of this document should take actions to remain abreast of and carefully evaluate additional events that may be relevant to accounting for income taxes matters.

Applicable US GAAP guidance

Under US GAAP, the effects of new legislation are recognized upon enactment. More specifically, the effect of a change in tax laws or rates on a deferred tax liability or asset is recognized as a discrete item in the interim period that includes the enactment date. The tax effects of a change in tax laws or rates on taxes currently payable or refundable for the current year are reflected in the computation of the annual effective tax rate after the effective dates prescribed in the statutes, beginning no earlier than the first interim period that includes the enactment date of the new legislation. However, any effect of tax law or rate changes on taxes payable or refundable for a prior year, such as when the change has retroactive effects, is recognized upon enactment as a discrete item of tax expense or benefit for the current year. While there is no specific guidance as to what constitutes "enactment" under US GAAP, it is commonly accepted that enactment takes place on the date the last step in the legislative process required to promulgate the law is complete (e.g. a law is published in an official gazette, signed by a president, or receives Royal Assent).

Enacted Tax Law Changes: April 1, 2019 to June 30, 2019

The following section includes a summary of major international income tax law changes enacted during the period April 1, 2019 to June 30, 2019.

China

Scope of preferential tax treatment of accelerated depreciation of fixed assets expanded

Date of Enactment: April 23, 2019
Effective Date: January 1, 2019

On April 23, 2019, China's Ministry of Finance and State Administration of Taxation released guidance (Bulletin 66) that expands the scope of application of the preferential policy relating to accelerated depreciation of fixed assets. Under this policy, taxpayers may elect to use a shorter deprecation period (at least 60% of minimum number of depreciation years provided in the tax law) or accelerated depreciation methods (the double declining balance method or the sum-of-the-years-digits method) for newly purchased fixed assets. This preferential policy previously was limited to certain prioritized manufacturing industries, but effective retroactively as from January 1, 2019, the benefit is available to all manufacturing sectors nationwide.

See also tax@hand – April 24, 2019

Luxembourg

2019 budget law enacted

Date of Enactment: April 26, 2019
Effective Date: January 1, 2019

Luxembourg’s 2019 budget law was approved by parliament on April 25 and published in the country’s official journal on April 26. Provisions relevant to companies are applicable beginning January 1, 2019. The budget includes a reduction of the standard corporate tax rate from 18% to 17% and changes to the income bracket relating to the minimum 15% rate (for taxable years closed on or after January 1, 2019). The budget also includes measures for tax-integrated groups in connection with the EU anti-tax avoidance directive (ATAD 1): for taxable years beginning on or after January 1, 2019, fiscal unities have the option to apply the interest expense deduction limitation rule at the level of the fiscal unity rather than at the level of the individual entity.

See also tax@hand - May 1, 2019

Switzerland

Principal companies and finance branch regimes withdrawn

Date of Enactment: May 24, 2019
Effective Date: January 1, 2020

On May 24, 2019, The Swiss Federal Tax Administration (“SFTA”) published the official statement 012-DVS-2019 (the “Circular”) that withdraws the existing principal company and finance branch regimes as of December 31, 2019. These regimes were previously established as interpretations of the current law by circulars previously issued by the SFTA.

The Circular changes those prior interpretations of the existing law. Accordingly, for ASC 740 purposes, the Circular should be viewed as new information rather than a change in tax law and entities should reflect any change in their income tax accounts that result from the new interpretations in the Circular in the period in which those new interpretations become available (*i.e.*, May 24, 2019).

See also tax@hand – May 22, 2019

Enacted Tax Law Changes That Are Now Effective: April 1, 2019 to June 30, 2019

The following section includes a brief summary of major international income tax law changes enacted before April 1, 2019 but are first effective in the period April 1, 2019 to June 30, 2019.

Czech Republic

EU ATAD measures transposed into domestic law

Date of Enactment: March 27, 2019
Effective Date: Various

A tax package published on March 27, 2019 includes measures that implement the EU anti-tax avoidance directive into Czech tax law. There are new rules restricting the deductibility of "excess" borrowing costs, the introduction of controlled foreign company rules, an exit tax and limits on the use of cross-border hybrid arrangements. While the measures generally apply from January 1, 2019, the exit tax rules will not apply until tax periods beginning January 1, 2020 and the hybrid mismatch rules for tax periods beginning January 1, 2020.

See also tax@hand – April 3, 2019

Japan

2019 tax reform measures enacted

Date of Enactment: March 27, 2019
Effective Date: Various

On March 27, 2019, Japan's National Diet approved the 2019 tax reform proposals. Changes are made to the corporate reorganization rules, the earnings stripping rules, the transfer pricing rules and the controlled foreign company rules to align them with recommendations under the OECD BEPS project. The measures generally apply as from tax years beginning on or after April 1, 2019, although some provisions have different effective dates.

See also tax@hand – April 1, 2019, tax@hand – April 23, 2019, tax@hand - May 6, 2019, and tax@hand – May 22, 2019

United Kingdom

Capital gains and corporation tax for nonresidents

Date of enactment: January 8, 2019
Effective date: April 6, 2019

From April 6, 2019, UK corporation tax is charged on gains made by nonresidents on disposals of all types of UK immovable property. Tax treaty relief may be available in some circumstances. Before April 2019, the UK did not seek to tax gains made on immovable property by nonresidents, unless it was residential property.

Also, as from April 6, 2020, income received by non-UK resident companies from UK property will be chargeable to corporation tax rather than income tax, which could have an impact on nonresident landlords who will be brought within the scope of the corporate interest restriction, loss restriction and anti-hybrid rules.

See also Deloitte Alert - November 8, 2018

Offshore receipts in respect of intangible property

Date of enactment: January 8, 2019
Effective date: April 6, 2019

From April 6, 2019, the new UK “offshore receipts” rules seek to tax (at 20%) intangible property receipts received by a company that is not tax resident in a full tax treaty jurisdiction and where the IP is ultimately connected to UK sales. For these purposes, a full treaty jurisdiction is a jurisdiction that has concluded a tax treaty with the UK and that treaty contains a nondiscrimination clause (broadly speaking, the territory also must not operate a territorial regime). A technical consultation has been launched on draft regulations amending the legislation.

See also tax@hand – May 28, 2019

Reinstatement of relief for goodwill and certain other assets

Date of enactment: January 8, 2019
Effective date: April 1, 2019

Relief for certain intangible assets, including goodwill, will be given in the UK where the assets are acquired on or after April 1, 2019, and certain conditions are satisfied. The amount of relief will be determined by reference to the spend on qualifying IP assets and, if available, will be subject to a 6.5% fixed rate writing down allowance.

See also tax@hand – January 1, 2019

Enacted Tax Law Changes That Are Effective Beginning July 1, 2019

The following section includes a summary of major international income tax law changes enacted before April 1, 2019, but effective beginning July 1, 2019.

Per a review of jurisdictions that are generally monitored in this publication, there were no major international income tax law changes enacted before April 1, 2019, but that are effective beginning July 1, 2019.

On the Horizon

The following developments had not yet been enacted as of July 1, 2019, but may, in certain cases, be enacted and become effective in the near future. Please follow up with your U.S. or local country tax advisor for more information.

Germany

India

Switzerland

Germany

Draft law would amend RETT rules on share deals

On May 8, 2019, the German Federal Ministry of Finance published a first draft of a law that includes changes to the real estate transfer tax (RETT) rules. The draft law includes a broadening of the applicability of the RETT rules, following an initiative that originally was announced on June 21, 2018 by the finance ministers of the federal states.

See also tax@hand – May 8, 2019

India

"Users" may be basis for attribution of profits to digital PE

A committee set up by India's Central Board of Direct Taxation to examine issues relating to the attribution of profits to a permanent establishment (PE) under India's domestic law and tax treaties released its report on April 18, 2019, in which it disagreed with the OECD approach for attributing profits to a PE based on functions, assets and risks. Instead, the committee favors a three-factor approach by apportioning profits derived from India based on sales, employees and assets, using a specific formula. In the case of digital businesses, the committee recognizes the roles and relevance of users that significantly contribute to the value and profits generated by the business and is of the view that, in addition to the three factors, where a digital business has many users, those users should be taken into account as a fourth factor for the attribution of profits in business models.

See also tax@hand – May 8, 2019

Switzerland

Voters approve corporate tax reform bill

On May 19, 2019, 66% of Swiss voters voted in favor of the tax reform financing bill, after the previous tax reform bill had been rejected by voters in 2017. Under the reform, all special Swiss corporate tax regimes, i.e. the mixed company, holding company, domiciliary company, principal company and finance branch/finance company regimes, will sunset on January 1, 2020 and will be replaced with other measures. Existing tax holidays at the federal and cantonal/municipal levels will not be affected by this legislation and new tax holidays still will be granted.

The federal government announced that it envisages that all cantons have to implement the changes by December 31, 2019 for the reform to take effect nationwide on January 1, 2020. The reform will have a tax accounting impact due to the change in tax rates and other factors, which will need to be analyzed on a case-by-case basis.

See also tax@hand – May 22, 2019

Did you know

Mexico
New Zealand
Taiwan
United States

The following section contains information that may be relevant at the date of publication.

Mexico

Supreme Court rules on tax authorities' power to declare transaction to be non-existent

On June 14, 2019, Mexico's Supreme Court issued a decision in which it held that the tax authorities have the power to declare a transaction to be non-existent for tax purposes if, during the course of a tax audit, the taxpayer fails to produce sufficient evidence to demonstrate that the transaction actually took place.

See also tax@hand – June 28, 2019

New Zealand

New rules apply as from April 1, 2019

Tax law changes that apply as from April 1, 2019 include rules related to debt pricing, debt/asset ratios and transfer pricing. The new rules apply from the income years starting from July 1, 2018, so if a company has a March balance date, the rules apply from April 1, 2019.

See also tax@hand – April 4, 2019

Taiwan

Corporate income tax implications on re-domiciliation of foreign subsidiary clarified

On March 29, 2019, Taiwan's Ministry of Finance issued a ruling clarifying the corporate income tax implications of the re-domiciliation of foreign subsidiaries of Taiwan parent entities. The ruling was an official response to queries raised by Taiwan taxpayers when the Brunei government announced the cessation of the incorporation and license renewal of international business corporations (IBCs) in 2016, which required all Brunei IBCs to migrate by December 24, 2017.

See also tax@hand – April 3, 2019

United States

Proposed regulations released on certain partnership interest dispositions

On May 7, 2019, the US Internal Revenue Service (IRS) released proposed regulations under IRC section 1446(f). Section 1446(f) was added to the Internal Revenue Code (code) by the December 2017 tax reform legislation that made major changes to the tax law, including the international tax rules. The proposed regulations may affect certain foreign persons that recognize gain or loss from the sale or exchange of an interest in a partnership that is engaged in the conduct of a trade or business in the US, and persons that acquire those interests. The proposed regulations also may affect partnerships that, directly or indirectly, have foreign persons as partners.

See also tax@hand – May 7, 2019

Final regulations issed on recognition and deferral of section 987 gain or loss

On May 10, 2019, the US IRS released final section 987 regulations that address combinations and separations of qualified business units (QBUs) subject to code section 987, as well as the recognition and deferral of foreign currency gain or loss in connection with certain QBU terminations and certain other transactions involving partnerships.

See also tax@hand – May 10, 2019

Proposed regulations issued on ownership attribution to determine CFC relatedness

On May 17, 2019, the US IRS released proposed regulations under section 954(d) of the code, which provide rules regarding the attribution of ownership of stock or other interests for purposes of determining whether a person is a related person with respect to a controlled foreign corporation (CFC) under section 954(d)(3). The proposed regulations also contain rules for determining whether a CFC is considered to derive rents in the active conduct of a trade or business for purposes of computing foreign personal holding company income.

See also tax@hand – May 17, 2019

Final regulations address deemed repatriation of earnings to domestic corporations

On May 23, 2019, the US IRS published final regulations under code section 956, which provide that the deemed dividend rules in section 956 do not apply to US corporate shareholders in order to maintain symmetry between the taxation of actual and deemed repatriations of non-US earnings. This is achieved by reducing the deemed dividend amount to the extent that the US shareholder would be allowed a dividend received deduction under code section 245A if the US shareholder had received an actual distribution from the CFC in an amount equal to the tentative section 956 amount (hypothetical distribution).

See also tax@hand – May 22, 2019

Proposed regulations released on interest held by foreign pension funds

On June 6, 2019, the US IRS released proposed regulations on the exception from taxation for gain or loss of qualified foreign pension funds relating to certain interests in US real property. Provisions also are included on certifying that a qualified foreign pension fund is not subject to withholding tax on certain dispositions and distributions relating to US real property interests.

See also tax@hand – June 6, 2019

Final GILTI regulations issued

On June 14, 2019, the US Treasury Department and IRS released final regulations under code section 951A, otherwise known as the final Global Intangible Low-Taxed Income (GILTI) regulations. Section 951A was added to the code by the Tax Cuts and Jobs Act, enacted on December 22, 2017.

See also tax@hand – June 15, 2019

Regulations proposed on treatment of domestic partnerships, GILTI high-tax exception

On June 14, 2019, the US Treasury Department and IRS released proposed regulations that address the treatment of domestic partnerships for purposes of determining amounts included in the gross income of their partners with respect to foreign corporations. They also provide guidance under the global intangible low-taxed income (GILTI) provisions of code section 951A regarding gross income that is subject to a high rate of foreign tax.

See also tax@hand – June 15, 2019

Example Disclosures

The following section contains example financial statement disclosures that may be considered relevant, in part or in whole, at the date of publication.

FASB Accounting Standards Codification (ASC or the "Codification") Topic 740, Income Taxes states that deferred tax liabilities and assets should be adjusted for the effect of changes in tax laws or rates in the period that includes the enactment date. Before enactment, financial statement preparers should consider whether potential changes represent an uncertainty that management reasonably expects will have a material effect on the results of operations, liquidity or capital resources. If so, financial statement preparers should consider disclosing information about the scope and nature of any potential material effects of the changes. After enactment, when material, financial statement preparers should consider disclosing in Management's Discussion & Analysis (MD&A) the anticipated current and future impact on their results of operations, liquidity, and capital resources. In addition, financial statement preparers should consider disclosures in the critical accounting estimates section of MD&A, the footnotes to the financial statements, or both, to the extent that the changes could materially impact existing assumptions used in making estimates of tax-related balances.

Certain legislation that has been discussed in other sections of this document may lead to an adjustment to the deferred tax balances and current taxes payable recorded on an entity's books and, if material, may need to be disclosed in the company's financial statements. In addition, proposals to change tax laws, rules, regulations, and interpretations could impact an entity's accounting for income taxes in the future. In preparation for possible impacts of the changes in tax laws, companies should consider including disclosure of the impacts of these proposed changes in their financial statements or in MD&A.

The link below provides sample disclosures with respect to issues including but not limited to the US tax reform, indefinite reinvestment, and intra-entity transfers.

See Roadmap to Accounting for Income Tax and Deloitte financial reporting alert 18-1 – Updated August 30, 2018

Quick Reference Guide for Income Tax Rates

The following section includes a summary of combined tax rates applicable in select jurisdictions, the related dates of enactment, for US GAAP purposes, of certain income tax rate changes, and supplemental information with respect to certain jurisdictions.

For other jurisdictions see 2019 Global Tax Rates

Jurisdiction	Combined national/ local rate (incl. surcharges, etc.)		Date the combined national/local rate enacted	Notes
	2018	2019	National and Local	
Australia	30%	30%	N/A	The standard corporate tax rate is 30%. A 27.5% rate applies to companies with aggregate annual turnover of less than AUD 25 million for the 2017-18 income year, increased to AUD 50 million as from the 2018-19 income year.
Brazil	34%	34%	N/A	The corporate income tax base rate is 15%. Taking into account the additional 10% surtax on income in excess of BRL 240,000 per year and the 9% social contribution (20% for financial institutions), the effective tax rate is 34% (45% for financial institutions).
China	25%	25%	Mar 16, 2007 Dec 26, 2007	The general enterprise income tax rate is 25%. Entities qualifying as small-scale taxpayers are subject to a 20% rate, and entities qualifying as new and high-tech enterprises or technology advanced service enterprises are subject to a 15% rate. Entities incorporated in the western region of China and operating in certain industries also are subject to a 15% rate.
Colombia	33% + 4% surcharge (combined rate of 37%)	33%	Dec 28, 2018	A law enacted on December 28, 2018 introduced a progressive reduction of the corporate income tax rate from 33% for taxable year 2019, to 32% for 2020, 31% for 2021 and 30% for taxable year 2022 and thereafter. A reduced rate of 20% applies to companies located in free trade zones. The 4% surcharge, which was abolished for 2019, was applicable when the taxpayer's income was equal or exceeded COP 800 million (approximately USD 266,000).
France	33.33% –	31% –	Dec 30, 2013 (See Note 1 for reduced rate for SMEs and Note 2 for the new rates applicable for FYs	The Finance Law for 2018 enacted on December 20, 2017 accelerates the reduction of the corporate tax rate. In 2019, the corporate tax rate is 33% (see Note 2). A bill approved by the French parliament on July 11, 2019 would maintain the 33.33% corporate tax rate in 2019 for French entities/ French tax groups with revenue of EUR 250 million or more. As of July 17, 2019, the bill had not been enacted.

Jurisdiction	Combined national/ local rate (incl. surcharges, etc.)		Date the combined national/local rate enacted	Notes
	2018	2019	National and Local	
	34.43%	32% 28% - 28.92% for SMEs up to EUR 75K (see Note 1)	opened as of Jan 1, 2018). Dec 31, 2016	These rates do not include the impact of the CVAE, an annual local business tax that is considered an income tax under US GAAP.
Germany	30%–33%	30%–33%	Aug 17, 2007	The corporate rate is 15% and the municipal trade tax rate typically ranges between 14% and 17%. A 5.5% solidarity surcharge is levied on corporate income tax. The effective corporate tax rate (including the solidarity surcharge and trade tax) typically ranges between 30% and 33%.
Hong Kong	8.25%/ 16.5%	8.25%/ 16.5%	Mar 29, 2018	A two-tiered profits tax applies as from year of assessment 2018/19: 8.25% for corporations (7.5% for unincorporated businesses) on the first HKD 2 million of assessable profits, and 16.5% for corporations (15% for unincorporated businesses) on the remainder of assessable profits.
India	25%/30%	25%/40%	Mar 29, 2018	The corporate tax rate is 30% for domestic companies and 40% for foreign companies and branches of foreign companies. A surcharge of 7% applies to domestic companies (2% for foreign companies) if income exceeds INR 10 million, and a 12% surcharge applies to domestic companies (5% for foreign companies) if income exceeds INR 100 million. An additional 4% cess is payable in all cases. A 25% rate (plus the surcharge and cess) is applicable for financial years 2018-19 and 2019-20 to domestic companies with total turnover or gross receipts of up to INR 2500 million in financial years 2016-17 and 2017-18, respectively, and also may be elected by certain new resident manufacturing companies. However, the Indian parliament is discussing a proposal to raise the threshold to qualify for the 25% rate (plus a surcharge and cess) from total turnover (gross receipts) of INR 2.5 billion (approximately USD 35 million) to INR 4 billion (approximately USD 60 million). A minimum alternative tax imposed in certain cases.
Italy	27.9%	27.9%	Jan 1, 2017	The general corporate tax rate is 24% (27.5% for banks and other financial institutions and 34.5% for "non-operating" entities). In addition to the corporate tax rate, the IRAP (the regional tax on productive activities) is levied at an average rate of 3.9% (4.65% for banks and 5.9% for insurance companies). Each region can increase or decrease the base IRAP rate up to 0.92%.
Japan	29.74% – 30.62% or 33.59% – 34.59% (for FYs beginning on or after Apr 1, 2018)	29.74% – 30.62% or 33.59% – 34.59% (29.74%– 30.62% or 33.58%–	Mar 29, 2016 (for FYs beginning before Oct 1, 2019) Mar 29, 2016 and Mar 27, 2019 (for FYs beginning on or after Oct 1, 2019)	The national corporate tax rate is 23.2% for ordinary corporations with share capital exceeding JPY 100 million for fiscal years beginning on or after April 1, 2018 (see Note 3). Japanese corporations and foreign corporations carrying on a business through a PE in Japan also are subject to a local inhabitants tax, a local enterprise tax and a local corporate tax, the rates of which vary depending on certain factors.

Jurisdiction	Combined national/ local rate (incl. surcharges, etc.)		Date the combined national/local rate enacted	Notes
	2018	2019	National and Local	
		34.59% for FYs beginning on or after Oct 1, 2019)		The local enterprise tax, including the special local corporate tax (for fiscal years beginning before October 1, 2019) or special corporate enterprise tax (for fiscal years beginning on or after October 1, 2019), generally is levied on taxable income at a rate between 3.6% and 10.07%, depending on the amount of capital and the location of the corporation. The inhabitants tax generally is levied on taxable income at a rate of 12.9% or 16.3% (for fiscal years beginning before October 1, 2019), or 7.0% or 10.4% (for fiscal years beginning on or after October 1, 2019) of the national corporate tax rate, depending on the location of the corporation. The local enterprise tax is deductible for national corporate tax, local inhabitants tax and local enterprise tax purposes when it is paid. The local corporate tax generally is levied on taxable income at a rate of 4.4% (for fiscal years beginning before October 1, 2019), or 10.3% (for fiscal years beginning on or after October 1, 2019) of the national corporate tax rate. The top effective tax rate ranges are for corporations with stated capital exceeding JPY 100 million and the bottom effective tax rate ranges are for corporations with stated capital of JPY 100 million or less.
Luxembourg	~26.01%	~24.94%	Dec 23, 2016 for 2018 April 26, 2019 for 2019	The 2019 budget law reduced the corporate income tax rate from 18% to 17%, and increased the income bracket affected by the minimum 15% rate from EUR 25,000 to EUR 175,000. The effective combined income tax rate for a company in Luxembourg City should be 24.94% for 2019 (including the corporate income tax, municipal business tax and the contribution for the unemployment fund). Rates for residents of other municipalities may vary.
Mexico	30%	30%	Dec 11, 2013	The standard corporate tax rate is 30%. However, a two-year income tax credit is available for certain taxpayers located in municipalities in the northern border region, which translates to a 20% ETR.
Netherlands	25%	25%	N/A	The corporate tax rates for 2019 are 19% on the first EUR 200,000 of taxable profits (reduced from 20% as from January 1, 2019) and 25% on taxable profits exceeding EUR 200,000. Further rate reductions will take place for 2020, and by 2021 a 15% rate will apply to the first EUR 200,000 and a 20.5% top rate for income exceeding that amount.
Russia	20%	20%	Nov 26, 2008	The standard tax rate is 20%, except for certain types of income. The 20% tax rate can be reduced to 15.5% (12.5% regional and 3% federal) by the regional governments. In some regions, profit tax may be reduced to zero due to special tax regimes. The regional authorities in special economic zones (SEZs) may grant a reduction of the regional tax rate to as low as 0%, leaving only the 3% federal portion. The maximum profit tax rate may be reduced depending on the type of SEZ and its location, from 20% to: • 3% for manufacturing and port SEZs; • 0% for technology and innovation and tourism and recreation SEZs.

Jurisdiction	Combined national/ local rate (incl. surcharges, etc.)		Date the combined national/local rate enacted	Notes
	2018	2019	National and Local	
				Qualifying investors in certain regions in the far eastern part of Russia and Siberia are entitled to a profits tax rate of 0% to 10% for the first five years of income generation, and from 10% to 18% for the following five years. Companies providing educational or medical services and agricultural goods producers are subject to a 0% profits tax rate if certain criteria are fulfilled. Residents of the Skolkovo Innovation Centre are entitled to a 10-year exemption from profits tax.
Switzerland	11.5%–24.5%	11.5%–24.5%	N/A	Tax is imposed at the federal and cantonal/communal levels. The federal tax rate is 8.5% levied on net income, with an effective rate of 7.8%; the rate at the cantonal/communal level depends on the canton/municipality in which the company is located. Taking into account the federal and the cantonal/communal income tax, the combined effective income tax rate typically is between 12% and 24% for companies subject to ordinary taxation, depending on the place of residence. Proposed cantonal tax rate reductions will result in a combined ETR of approximately 11.9% to 18% as from January 1, 2020 (with the relevant ETR and enactment date depending on the canton).
United Kingdom	19%	19%	Nov 18, 2015	Based on legislation enacted in 2016, the corporate tax rate will drop to 17% on April 1, 2020.
United States	21%	21%	Dec 22, 2017	The graduated corporate rate structure was replaced with a flat 21% rate, effective in 2018, and the corporate alternative minimum tax was repealed.

Note 1:

A reduced rate of 15% applies to SMEs (i.e. micro, small and medium-sized companies directly or indirectly, at least 75% held by individuals, with revenue below EUR 7.63 million) on the first EUR 38,120 of taxable income; a 28% rate applies to the portion of income under EUR 500,000; and the 31% rate applies to taxable income exceeding this threshold in 2019. As from January 1, 2020, the rate would be 15% where taxable income is under EUR 38,120 and the ordinary corporate rate would apply above that threshold (28% in 2020, 26.5% in 2021, 25% in 2022).

Note 2:

The Finance law for 2018, enacted on December 29, 2017, provides for a progressive reduction of the corporate tax rate under the following timetable:

- FYs opened as of January 1, 2018: The 28% rate applies to the first EUR 500,000 of taxable income for all companies, and 33.3% for income exceeding threshold (the maximum ETR, including the 3.3% surtax is 34.43%);
- FYs opened as of January 1, 2019: The standard corporate tax rate is 31% for all companies (the 28% rate will continue to apply to the first EUR 500,000 of taxable income for all companies) (the maximum ETR, including the 3.3% surtax is 32%);

- FYs opened as of January 1, 2020: The standard corporate tax rate is 28% for all companies (the maximum ETR, including the 3.3% surtax is 28.9%);
- FYs opened as of January 1, 2021: The standard corporate tax rate is 26.5% for all companies (the maximum ETR, including the 3.3% surtax is 27.4%); and
- FYs opened as of January 1, 2022: The standard corporate tax rate is 25% for all companies (the maximum ETR, including the 3.3% surtax is 25.8%).

Note 3:

The national corporate tax rate is 23.4% for fiscal years beginning on or after April 1, 2016, and is reduced to 23.2% for fiscal years beginning on or after April 1, 2018.

Additional Resources

A Roadmap to Accounting for Income Taxes—This Roadmap includes all of Deloitte's interpretive guidance on the accounting for income taxes, combining the income tax accounting rules and implementation guidance from ASC 740 with Deloitte's interpretations.

Accounting for Income Taxes—Global Tax Developments archive

Accounting for Income Taxes Hot Topics archive—A quarterly publication that highlights certain recent tax and accounting developments that may have accounting for income taxes (ASC 740) implications.

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Deloitte International Tax Source (DITS)—An online database featuring corporate, withholding and tax treaty rates and information for 66 jurisdictions worldwide.

Tax Accounting & Provisions Dbriefs Webcasts—A collection of live and archived Dbrief webcasts that give you valuable insights on important developments impacting financial reporting for taxes.

Tax Publications—Various tax publications issued by Deloitte to help clients stay informed on tax legislation and regulations and the potential impact on their businesses.

Tax Training – Deloitte's Financial Reporting for Taxes Training is scheduled for December 2-6 in Las Vegas, Nevada. The training features interactive courses tauht by experienced professionals who will explain applicable guidance as well as share real world experiences and leading practices.

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