

Treasury, IRS Issue Guidance On Carried Interest

March 1, 2018

Washington –The U.S. Department of the Treasury and the Internal Revenue Service (IRS) issued clarifying guidance today to taxpayers on how it will implement the carried interest provisions under the Tax Cuts and Jobs Act. The guidance informs taxpayers that regulations will be issued that will not allow them to avoid the three year holding period by using a pass through entity (“S” corporation).

“We worked expeditiously to take this first step to clarify that S corporations are subject to the three year holding period for carried interest,” said Treasury Secretary Steven T. Mnuchin. “Treasury and the IRS stand ready to implement the Tax Cuts and Jobs Act as Congress intended and provide the appropriate taxpayer guidance on how the law will be implemented.”

Treasury and the IRS also informed taxpayers through today’s guidance that the upcoming regulations will be effective beginning after December 31, 2017.

[Read the IRS Guidance on Carried Interest](#) .

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