

Treasury Issues Guidance on New International Tax Provision, Protecting American Businesses

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Washington –The Treasury Department today issued proposed regulations under the base erosion and anti-abuse tax (BEAT), a provision of the Tax Cuts and Jobs Act. The new provision provides for a tax equal to the base erosion minimum tax amount, in addition to a taxpayer’s regular tax liability. The rule applies to corporate taxpayers with gross receipts of more than \$500 million that make deductible payments to foreign entities.

“As part of transitioning from a worldwide to a territorial system, the Tax Cuts and Jobs Act is making changes to level the playing field for American businesses and protect the U.S. tax base,” said Secretary Steven T. Mnuchin.

The proposed regulations provide detailed guidance regarding which taxpayers will be subject to the BEAT, the determination of base erosion payments, and the calculation of the base erosion minimum tax amount.

[View the proposed guidance](#) .

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