



**Building a better
working world**

13 September 2021

Americas Tax Roundup

Latest news – Americas

[US congressional tax-writing committee releases major tax overhaul proposals](#)

The US congressional tax-writing House Ways & Means Committee [released](#) highly anticipated tax proposals to be part of the Build Back Better Act reconciliation bill. The proposed changes would affect corporations, partnerships and individuals. Among the highlights: increasing the top corporate tax rate to 26.5%; increasing the top capital gains rate to 25%; returning the top individual income tax rate to 39.6% and numerous international tax changes. The size, scope and timing of the budget reconciliation bill remains uncertain at this time.

[Mexico's President submits 2022 economic proposal to Congress](#)

On 8 September 2021, Mexico's President submitted to Congress the economic proposal for 2022. Although the proposal does not include any new taxes or rate increases, it would change certain provisions to curb perceived abuses by taxpayers. Specifically, the proposal would establish additional reporting requirements for certain taxpayers and require taxpayers to have a valid business purpose for restructurings, mergers and spin-offs to remain tax free.

[Argentine Central Bank issues new guidance for entities with new financial debt to access the official foreign exchange market](#)

On 26 August 2021, the Argentine Central Bank (BCRA) issued Communique A 7,348 (Communique), which exempts entities with new financial debt and a certificate issued by the financial institution with which they have entered and settled the funds of the new financial debt, from having to request the BCRA's approval to access the official foreign exchange market. To obtain a certificate, entities must satisfy certain requirements outlined in the Communique.

[US IRS allows taxpayer to reverse "gap period" transaction through late check-the-box election](#)

In a private letter ruling ([PLR 202135006](#), released 3 September 2021), the US IRS granted the taxpayer's request to make a late entity-classification election (familiarily, a check-the-box election) that would cause the relevant transaction to become disregarded. The PLR is unique insofar as the taxpayer's stated motivation for requesting relief was to mitigate the "negative tax consequences" attributable to the extraordinary disposition regulations.

[EY Canada issues latest edition of TaxMatters@EY](#)

TaxMatters@EY, a monthly bulletin prepared by EY Canada, provides a summary of recent Canadian tax news, publications, and resources. Highlights of the September 2021 issue include: (i) the Canada Revenue Agency's warning to taxpayers about tax-free savings account maximizer schemes, and (ii) two recent Federal Court of Appeal decisions that found that amateur athletic associations do not need to directly promote athletics to be eligible to register with the Canada Revenue Agency.

[PE Watch: Latest developments and trends, September 2021](#)

The latest edition of EY's PE Watch is available, providing an update on global permanent establishment developments, including United States and Chile PE developments.



Upcoming webcasts

[International tax talk quarterly series with the EY Global Tax Desk Network \(14 September\)](#)

During this webcast, part of an ongoing series, a panel of experienced EY professionals will provide you with information on major tax law changes in the countries and jurisdictions covered by our US-based Global Tax Desk Network.

[LatAm Quarterly Tax Update \(15 September\)](#)

The last quarter has brought significant tax developments to Latin America. In this webcast, EY's EMEA Latin American Business Centre will discuss and analyze the changes and consider their effects on European companies and investors in Latin America.

[US international tax reform: Update on recent developments \(20 September\)](#)

Significant US international tax changes have been proposed this year, including the Biden Administration's Made in America Plan (as outlined in the Green Book) and a discussion draft of Senator Ron Wyden's international tax framework, among others. Many of these changes would significantly affect the global taxation of multinational corporate groups. Please join our panelists as they discuss the various proposals.

[What you need to know for Q3 2021 financial reporting \(22 September\)](#)

Are you up-to-date with current accounting and regulatory developments? In this webcast, panelists discuss current financial reporting matters and standard-setting activities.

Recently issued EY podcasts

[US Cross-Border Taxation weekly podcast, 10 September 2021](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include:

- ▶ US House Ways and Means Committee begins budget reconciliation markup
- ▶ Treasury pushes for 21 percent minimum corporate tax on foreign earnings
- ▶ Senate Finance Committee Chairman releases draft partnership tax legislation
- ▶ Treasury official offers update on coming final foreign tax credit regulations
- ▶ IRS releases 2021–2022 Priority Guidance Plan
- ▶ IRS allows taxpayer to reverse "gap period" transaction through late CTB election

You can register for this weekly podcast on iTunes [here](#).

This week's EY Global Tax Alerts

Americas Tax Alerts

- ▶ [Report on recent US international tax developments – 10 September 2021](#)
- ▶ [Argentine Central Bank issues new guidance for entities with new financial debt to access the official foreign exchange market](#)
- ▶ [Mexico's President submits 2022 economic proposal to Congress](#)
- ▶ [PE Watch: Latest developments and trends, September 2021](#)
- ▶ [US IRS allows taxpayer to reverse "gap period" transaction through late check-the-box election](#)

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Other Global Tax Alerts

- ▶ Turkey reduces withholding tax rate to 0% for certain venture capital and real estate investment fund earnings
- ▶ Turkey extends application and first installment payment deadlines for Tax Amnesty
- ▶ Norwegian Government proposes changes in petroleum taxation
- ▶ Poland proposes new revenue-based minimum tax for corporate taxpayers
- ▶ Japan: Update on COVID-19 tax measures

Transfer Pricing Alerts

- ▶ German Ministry of Finance issues guidance on dispute resolutions for income and property taxes

Indirect Tax Alerts

- ▶ Thailand: Nonresident electronic service providers subject to VAT from 1 September 2021
- ▶ New Zealand proposes changes to GST invoicing requirements
- ▶ New Zealand proposes changes to Goods and Services Tax

EY Industry and Tax Services publications

Industries

Automotive

- ▶ How OEMs can achieve the best of both worlds
- ▶ The five focus areas to accelerate eMobility growth
- ▶ Why mobility companies should be cautious while preparing for growth

Asset Management

- ▶ Twelve ways to transform distribution in wealth and asset management

Consumer Products & Retail

- ▶ Fashioning a sustainable future for an online clothing retailer

Technology

- ▶ The CEO Imperative: How to factor geopolitics into technology strategy

Health & Life Sciences

- ▶ Why questions about financial trade-offs dominated Q2 earnings calls

Services

Tax

- ▶ How businesses need to navigate environmental incentives and penalties

Comments

If you have any questions or suggestions about this newsletter, please email Global Tax News Update Help at: globaltaxnewsupdatehelp@ey.com.



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