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16 November 2020

# Americas Tax Roundup

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## Latest news – Americas

### [COVID-19 relief measures continue throughout Americas](#)

*Jurisdictions throughout the region continue to announce new and expanded measures to respond to the COVID-19 pandemic.*

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### [How US tax and trade policy may unfold under a Biden Administration](#)

Joe Biden has been projected as the winner of the US Presidential election (although several state recounts and legal challenges are ongoing). Tax, healthcare, immigration, and climate policy are key areas where the incoming Biden Administration likely will diverge significantly from the Trump Administration. Read more in our recent articles on [tax and trade policy under a Biden Administration](#) and how the [outcome of the Senate races could shape policy in 2021](#).

### [What's next for tax policy in Latin America – EY article highlights recent and upcoming developments](#)

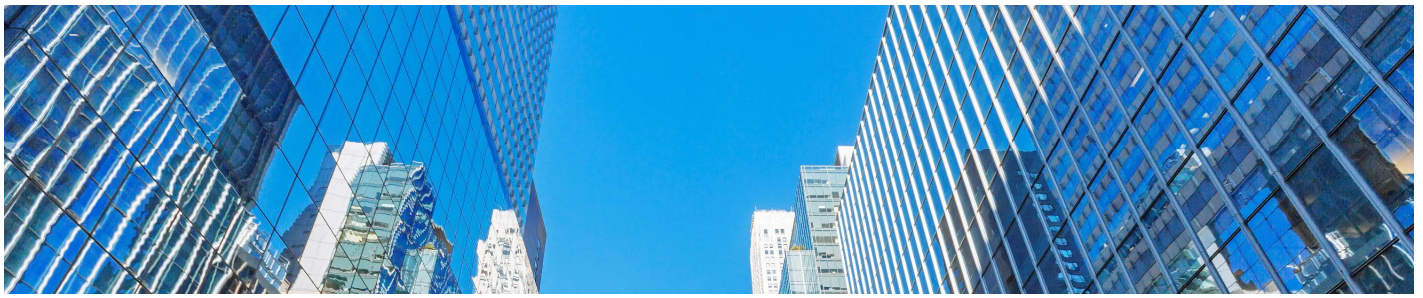
Companies need to understand what is driving tax developments in Latin America as they plan for a post-pandemic world. The economic and health repercussions of the pandemic are still playing out, and responses among Latin American countries have included economic relief and tax changes that could affect companies' future plans in the region. In this [article](#), we take a look at the tax reform efforts, COVID-19 responses and tax policy outlook scenarios for seven Latin American countries – Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, and Paraguay – to gain insights about what tax developments may be on the horizon. If you have questions, contact Americas Tax Policy Leader [Cathy Koch](#).

### [Brazilian Supreme Court holds software sales will not be subject to state value-added tax](#)

The Brazilian Supreme Court (STF) has held that the state value-added tax (VAT or ICMS) does not apply to the licensing of, or right to use, software. The STF found, however, that the municipal service tax (ISS) applies to the licensing of, or right to use, software, because they are services. The STF decision offers certainty to taxpayers and tax authorities on the treatment of the licensing of, or right to use, software.

### [Canada introduces Bill C-9 to implement new rent subsidy and amend current wage subsidy](#)

The Canadian House of Commons has adopted Bill C-9, which includes the new Canada Emergency Rent Subsidy (CERS) announced on 9 October 2020, as well as new and previously announced amendments to the Canada Emergency Wage Subsidy (CEWS). These measures are considered to be substantively enacted for financial reporting purposes on 6 November 2020, although Bill C-9 will not receive Royal Assent until the Senate resumes its activities on 17 November.



### [Canada releases draft legislation for the Canada Emergency Rent Subsidy](#)

Canada's federal government has released its long-anticipated draft legislation for the Canada Emergency Rent Subsidy (CERS) program along with two related backgrounders. Under the CERS, qualifying organizations that have suffered a decline in revenue would be eligible to receive a subsidy with regard to certain of their real property-related expenses.

### [Canada: Quebec's incentive deduction for the commercialization of innovations](#)

Quebec's taxable income deduction for the commercialization of innovations (IDCI), introduced earlier this year, will apply for corporate tax years beginning after 31 December 2020. The IDCI is a deduction that will allow a qualified innovative corporation to benefit from a reduced effective tax rate of up to 2% on the qualified portion of its taxable income attributable to qualified intellectual property assets. With the IDCI's entry into effect fast approaching, corporations should begin gathering the relevant data to prepare their claims or implementing processes to be able to generate such data.

### [Canada: Ontario issues budget 2020-21](#)

Ontario's Finance Minister tabled the Canadian province's fiscal 2020-21 budget on 5 November. The budget contains several tax measures affecting individuals and corporations but contains no new taxes and no tax increases.

### [EY's 'TradeWatch' offers latest quarterly update on global trade developments](#)

Issue 3 2020 of EY's quarterly *TradeWatch* outlines key recent legislative and administrative developments for customs and trade around the world. Highlights from the Americas include: (1) Brazilian tax reform's potential impact on customs special regimes, (2) Mexico's customs rule changes for 2020 impacting maquiladoras and other regimes, and (3) US trade actions.

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## Upcoming webcasts

### [Key tax, regulatory, and global trade implications as a result of the US general election outcome \(18 November\)](#)

A panel will discuss what the outcome of the US general election means regarding US tax and trade policies and the impacts for inbound investors. The panel will also review recent Treasury regulation packages of relevance to inbound investors and recent US responses to global trade, including tariffs and digital taxes.

### [BorderCrossings: US state and local tax update for multinationals \(19 November\)](#)

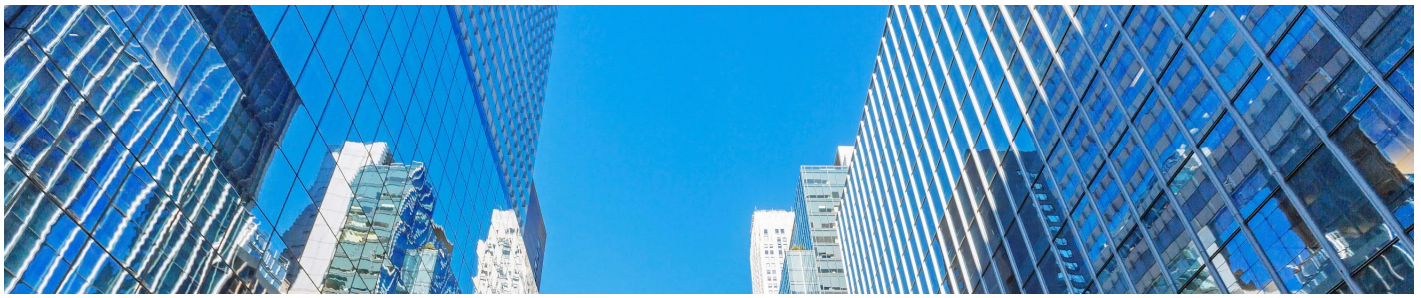
Multinational businesses operating in the US are experiencing the impact of the Tax Cuts and Jobs Act (TCJA) on US state and local taxation. On this US state and local tax update webcast, panelists will discuss the complexities posed by the TCJA, as well as by the recent election, developments in global finance, and the digitalization of the economy.

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## Recently issued EY podcasts

### [US Cross-Border Taxation weekly podcast, 13 November 2020](#)

EY's weekly US Cross-border Taxation podcast reviews the week's US international tax-related developments. Highlights this week include: Joe Biden projected as winner of US Presidential election; tax policy changes examined; IRS updates listing of CAAs for CbC reports. You can register for this weekly podcast on iTunes [here](#).



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## This week's EY Global Tax Alerts

### COVID-19 | Key Alerts and other resources from EY's Global Tax

Global Tax Alerts were issued this week with updated COVID-19 news, covering the following jurisdictions: Canada, Ghana and other jurisdictions. Access the Alerts and other COVID-19 related materials [here](#).

### Additional Global Tax Alerts

- ▶ [Report on recent US international tax developments – 13 November 2020](#)
- ▶ [Ghana announces extension of time for provision of relief packages in response to COVID-19](#)
- ▶ [Kenya's Court of Appeals rules that withholding tax is due on payments to card companies and interchange fees](#)
- ▶ [OECD releases Spain Stage 2 peer review report on implementation of Action 14 minimum standard](#)
- ▶ [PE Watch: Latest developments and trends | November 2020](#)
- ▶ [Canada: Time to prepare for Quebec's incentive deduction for commercialization of innovations](#)
- ▶ [Australian Government introduces new Payment Times Reporting Scheme](#)
- ▶ [Canada introduces bill to implement new rent subsidy and amend current wage subsidy](#)
- ▶ [Canada: Ontario issues budget 2020-21](#)
- ▶ [US: Proposed regulations would revamp creditability rules for foreign income taxes](#)

### OECD Alerts

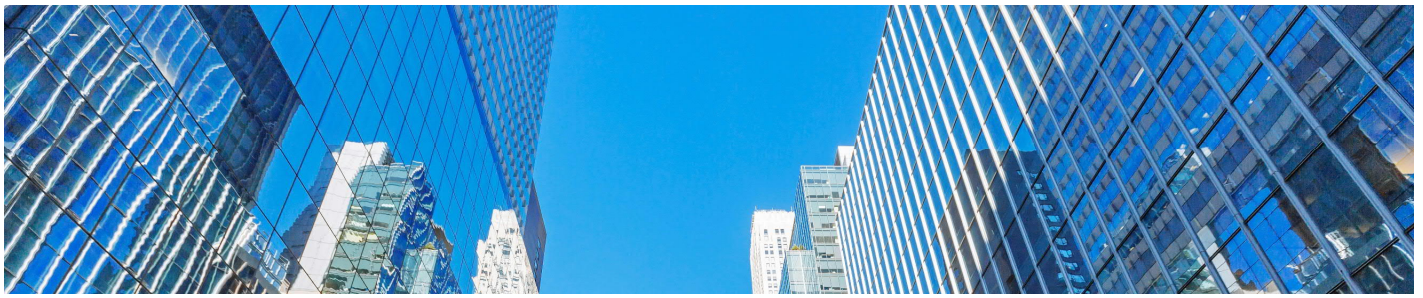
- ▶ [OECD releases Spain Stage 2 peer review report on implementation of Action 14 minimum standard](#)

### Human Capital Alerts

- ▶ [Singapore's Jobs Growth Incentive program discussed](#)

### Indirect Alerts

- ▶ [EU imposes countermeasures on US origin goods](#)
- ▶ [France proposes new e-invoicing and e-reporting obligations from 2023](#)
- ▶ [UK implements new e-commerce VAT rules effective 1 January 2021](#)
- ▶ [USTR suspends GSP for certain Thai origin goods, Commerce issues preliminary determination on Vietnam CVD case](#)
- ▶ [Brazilian Supreme Court holds software sales will not be subject to state VAT](#)



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## EY Industry and Tax Services publications

### Industries

#### Financial Services

- ▶ [Video: How leading CMOs are responding to crisis: Carla Hassan, Citi](#)

#### Consumer Products & Retail

- ▶ [How to build resilient supply chains in times of crisis](#)
- ▶ [Are you running an analogue supply chain for a digital economy?](#)
- ▶ [How GBS can drive digital transformations in the wider organization](#)

#### Government & Public Sector

- ▶ [Five ways organizations can better support young people virtually](#)

#### Technology, Media & Entertainment, and Telecommunications

- ▶ [Case study: How collaborating on tax operations powers a focus on strategy and growth](#)
- ▶ [Video: Why M&E businesses are reinventing in an age of transformation](#)

### Services

#### Tax

- ▶ [Beyond COVID-19: Why agile tax operations are critical to recovery](#)
- ▶ [Why businesses need to revisit digital economy taxation post-COVID-19](#)
- ▶ [How to prepare for year-end tax accounting during a pandemic](#)

#### People and workforce

- ▶ [Updated Tracker! How COVID-19 is disrupting immigration policies and worker mobility](#)

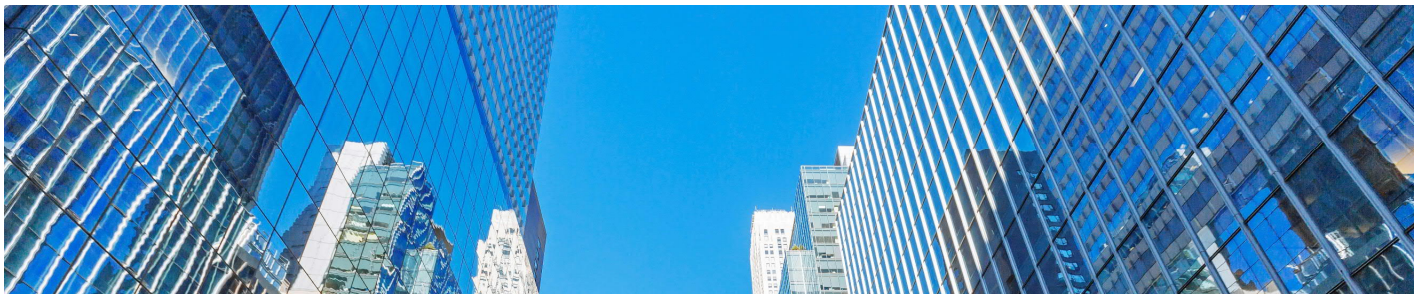
### Issues

#### Managing Risk

- ▶ [COVID-19: Three ways boards can help create systemic change](#)

### Comments

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



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