
PwC comment letter addresses unintended consequences of repealing Section 958(b)(4)

March 27, 2019

In brief

PwC submitted, on behalf of a group of companies, a [comment letter](#) on February 19, 2019, which addresses an issue arising from the interaction of Section 267(a)(3)(B) with the provisions of the 2017 Tax Cuts and Jobs Act (the TCJA or the Act) that repealed Section 958(b)(4).

The repeal of Section 958(b)(4) could retroactively have extended the reach of Section 267(a)(3)(B) deferral to large amounts of non-interest expenses for many foreign-parented multinationals, beginning as early as January 1, 2017. This is likely to affect many foreign-parented multinationals with US subsidiaries.

The letter asks Treasury and the IRS to issue guidance, on an expedited basis and with retroactive effect, in order to address the serious tax and financial statement implications which Congress did not intend.

Let's talk

For a deeper discussion of how this might affect your business, please contact:

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