Scuola universitaria professionale della Svizzera italiana
Dipartimento economia aziendale, sanità e sociale
Centro competenze tributarie

SUPSI

U.S. 2017 Tax Cuts and Jobs Act ("TCJA")

Considerations on corporate income tax issues arising under the TCJA

Date and time
Tuesday
September 18, 2018
16.00-18.30

offered refreshments

Place
Auditorium
UBS Building
Via Cantonale 18
CH-6928 Manno

Among the national tax systems of the G-20 countries, the U.S. has traditionally been a "primus inter pares". What the U.S. does has an impact on other systems, and the 2017 Tax Cuts and Jobs Act (TCJA) marks a paradigm shift.
Most significantly, U.S. corporate rates have been lowered from 35% to 21%, and the U.S. has moved from its global system to a more-territorial system.
The TCJA thus reflects a "lower the rate and strengthen the base" approach.
This seminar, in which noted tax experts will analyze the TCJA from U.S., Swiss and Italian perspectives, will be a very special SUPSI event.

The 2017 TCJA is the most far-reaching change in U.S. tax law since the Tax Reform Act of 1986. There is a significant reduction of corporate income tax rates from 35% to 21%. In addition, there is a fundamental move from a global to a more-territorial system. The TCJA allows a dividends received deduction for foreign earnings and, in order to accomplish this transition, there is a one-time repatriation tax on earnings in overseas subsidiaries, amounting to 15.5% for cash and cash equivalents and 8% for other earnings. There are many provisions beyond repatriation that will have a significant impact o cross-border operations. The Base Erosion Anti-Abuse Tax (BEAT) is a "leave your money in the U.S." rule. A base erosion payment is any amount paid or accrued by a taxpayer to a related foreign person for which a deduction is allowable. BEAT applies if a group's average annual gross receipts for the previous 3 years exceeds $500 million and the base erosion percentage exceeds 3%. The Global Intangible Low-Taxed Income (GILTI) provision is a new anti-deferral rule that affects income of foreign subsidiaries. Foreign-Derived Intangible Income (FDII) is the inverse of the GILTI tax and similar to European "patent box". A U.S. corporation receives a 37.5% deduction on its FDII, which is the corporation's deemed intangible income (DII), multiplied by the ratio of its foreign-derived deduction eligible income over its DEI.

The 37.5% deduction applies for export-related returns exceeding 10% of such corporation's qualified business asset investments ("QBAI"). The resulting effective tax rate amounts to 13.125%. The TCJA also added a provision intended to discourage the use of hybrid entities and instruments in arrangements where payments were previously deductible in both the source country and the residence country.
The new provision denies tax deductions for related-party payments of interest and royalties to the extent that the corresponding amount is not included in the income of such related party. What are the implications of moving from a global to a more-territorial system? Will the new regime be beneficial to U.S businesses exporting abroad and detrimental to U.S. corporations operating abroad? Will the combination of GILTI and FDII cause U.S. multinational corporations to relocate their IP and other assets back to the U.S.? How will foreign corporations investing in the U.S. by affected by the TCJA? These and other questions will be addressed by the two U.S. speakers. The continental speakers will comment on how the TCJA may affect investments from the U.S. and give an outlook from both a Swiss and an Italian perspective on investment opportunities created by the lower U.S. corporate tax rates.

Topics & Speakers

General outlook on the TCJA and its cross-border impacts
H. David Rosenbloom
Director of the International Tax Program of NYU Law School; Partner, Caplin & Drysdale, Washington DC

TCJA and its impact on outbound operations
Joseph Czajkowski
Former Senior Tax Counsel, Exxon Mobil Corporation, Irving, Texas

Italian perspectives on the TCJA
Alessandro Padula
Associate Partner, EY Milano

Swiss perspectives on the TCJA
Peter R. Altenburger
Founding Member and Counsel, Altenburger Ltd legal + tax, Zurich

Target
Fiduciaries, accountants, lawyers and notaries, tax consultants, bank and insurance consultants, business managers, professionals involved in tax matters for private and public institutions, people interested in taxation

Pricing
CHF 200.-

Registration
Until Friday September 14, 2018

Certificate of attendance
A certificate of attendance will be issued only upon request

Administrative information
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amastl

FIDUCIARI | SUISSE

U.S. 2017 Tax Cuts and Jobs Act ("TCJA")
registration to submit
Until **Friday September 14, 2018**

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Address for communications

Company/Autority	Street
NAP	City
Date	Signature