



TaxNewsFlash

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Rev. Proc. 2017-23: Guidance on country-by-country report filing process

The IRS today released an advance version of Rev. Proc. 2017-23 describing the process for filing Form 8975, *Country-by-Country Report*, and accompanying Schedules A, *Tax Jurisdiction and Constituent Entity Information*, by ultimate parent entities of U.S. multinational enterprise (MNE) groups for reporting periods beginning on or after January 1, 2016, but before the applicability date of Reg. section 1.6038-4 (early reporting periods).

Read [Rev. Proc. 2017-23](#) [PDF 15 KB]

The filing procedure provided by Rev. Proc. 2017-23 explains that beginning on September 1, 2017, Form 8975 may be filed for an early reporting period with the income tax return or other return as provided in the Instructions to Form 8975 for the tax year of the ultimate parent entity of the U.S. MNE group with or within which the early reporting period ends.

In order to file Form 8975 for an early reporting period, an ultimate parent entity that files (or has filed) an income tax return for a tax year that includes an early reporting period without a Form 8975 attached must follow the procedures for filing an amended income tax return and attach Form 8975 to the amended return within 12 months of the close of the tax year that includes the early reporting period. The revenue procedure states that filing an amended income tax return solely to attach Form 8975 in accordance with this revenue procedure will have no effect on the statute of limitations for the income tax return.

The IRS stated that to provide for a timely automatic exchange of the information on a Form 8975 for an early reporting period, ultimate parent entities that are able to file their returns electronically are encouraged to file their returns and the Forms 8975 electronically. An ultimate parent entity that files its return electronically must file the Form 8975 through the IRS Modernized e-File system in Extensible Markup Language

(XML) format, not as a binary attachment (such as a PDF file). The IRS stated that it intends to provide specific electronic filing information on Form 8975 to the software industry in early 2017 so that developers will be able to make Form 8975 available in their software ahead of the September 1, 2017 implementation date. For filers of Form 8975 that are not eligible to use Modernized e-File to file their income tax return, a paper version of Form 8975 will be made available in advance of the September 1, 2017 implementation date.

Draft Form 8975, *Country-by-Country Report*, and Form 8975 (Schedule A), *Tax Jurisdiction and Constituent Entity Information*, were released by the IRS on 12 January 2017. Read [TaxNewsFlash-United States](#)

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