



# TaxNewsFlash

## United States

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### **KPMG report: Accounting for income tax considerations, section 987 regulations**

Section 987 regulations—issued in December 2016—can significantly change how a company measures taxable income of a foreign branch with a functional currency different from its owner.

The regulations generally are not effective until 2018 for calendar year taxpayers. However, the issuance of the regulations need to be viewed as a change in tax law with the effect recognized for financial reporting purposes on December 7, 2016. Companies need to assess and recognize the potential impact of the regulations in financial statements for the reporting period that includes the December 7, 2016 issuance date.

Read a [January 2017 report](#) [PDF 215 KB] prepared by KPMG LLP: *What's News in Tax: Section 987 Regulations—Accounting for Income Taxes Considerations of Issuance of the Regulations*

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