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KPMG report: Tax reform considerations for life sciences companies

With the status of healthcare reform uncertain, Congress and President Trump may focus on major tax legislation soon. There are many proposals being discussed as part of U.S. corporate tax reform, including border adjustability, nondeductibility of net interest expense, immediate expensing of U.S. asset acquisitions, territorial taxation, and a reduced corporate tax rate.

Border adjustability, a proposal in the House Republican's tax "Blueprint," has particular currency for the life sciences industry. Although technical details have not yet been released, under such a provision, the U.S. tax base presumably would consist of business income received from, and business expenses paid to, other U.S. taxpayers. It presumably would exclude business income received from, and business expenses paid to, non-U.S. taxpayers.

Life sciences companies may need to consider assessing their business readiness for potential comprehensive U.S. tax reform and give careful thought to potential future investment locations and the implications for the supply chain.

Read a **March 2017 report** [PDF 4.0 MB] prepared by KPMG LLP: *U.S. tax reform—Planning in uncertain times* partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

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