

TaxNewsFlash

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IRS practice units: Foreign tax credits, sourcing of income, other topics

The IRS Large Business and International (LB&I) division today publicly released four “practice units” that concern among other topics, foreign tax credits and the sourcing of income.

The titles of the practice units released today are:

- Categorization of income and taxes into proper basket
- Creditable foreign taxes
- Sourcing of income
- Verifying refund requests of section 1441 withholding on FDAP income

The practice units are part of a series of IRS examiner “job aides” and training materials intended to describe for IRS agents leading practices for specific international and transfer pricing issues and transactions, and are available on the IRS practice unit [webpage](#) (release date of September 14, 2017).

KPMG observation

The practice units released today provide valuable insight into the IRS viewpoint on the issues and Code sections covered by these practice units. These practice units instruct agents how to interpret and apply the rules contained therein. Taxpayers whose tax filings involve the issues contained within these practice units might find it helpful to review these practice units.

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