



# TaxNewsFlash

## United States

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### **New tax law implications, Alaska native corporations, settlement trusts**

The IRS issued a release reminding Alaska native corporations and Alaska native settlement trusts of certain benefits in the new tax law (Pub. L. No. 115-97).

The new law also requires that certain contributions made by native corporations to settlement trusts in 2017 be reported to the settlement trusts by January 31, 2018.

As noted in the IRS release—[IR-2018-16](#)—the new law allows a native corporation to assign certain payments to a settlement trust without treating the payments as income for federal tax purposes. If a native corporation assigns payments to a settlement trust, a deduction for these payments is not allowed. However, native corporations may choose to deduct contributions made to a settlement trust. The deduction is limited to the amount of the native corporation's taxable income for that year. Any unused deduction may be carried forward 15 additional years.

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