



TaxNewsFlash

United States

No. 2018-356
September 6, 2018

Rev. Proc. 2018-47: Excise tax relief for RICs with section 965 inclusions

The IRS today issued an advance version of Rev. Proc. 2018-47 to provide excise tax relief for certain regulated investment companies (RICs) that have inclusions under section 951(a)(1) by reason of section 965 for the excise tax year ended on December 31, 2017.

[Rev. Proc. 2018-47](#) [PDF 21 KB] applies to any amount that section 965 would (but for this revenue procedure) require a RIC to include in gross income under section 951(a)(1) for the RIC's excise tax year ended on December 31, 2017 (a "2017 inclusion").

Rev. Proc. 2018-47 states that IRS will not challenge a RIC's treatment of a 2017 inclusion if the RIC:

- Treats the 2017 inclusion in the same manner as a specified gain (within the meaning of section 4982(e)(5)(B)(i)) that (but for section 4982(e)(5)) would be properly taken into account during the portion of the RIC's 2017 excise tax year that is after October 31, and
- Treats any deduction under section 965(c) attributable to the 2017 inclusion in the same manner as a specified loss (within the meaning of section 4982(e)(5)(B)(ii)) that (but for section 4982(e)(5)) would be properly taken into account during the portion of the RIC's 2017 excise tax year that is after October 31

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, 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.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)