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## KPMG report: Foreign tax credit regulations; constructing a path forward

Recent changes in the foreign tax credit (FTC) regulations have introduced several possibly unintended consequences to the engineering and construction industry.

The engineering and construction (E&C) industry has a long history of its U.S.-based workforce providing technical engineering assistance to projects located in foreign jurisdictions. Also, the industry focuses on fostering innovation, including the development and use of new technologies and engineering principles, so that many E&C companies qualify for various credits and incentives in the foreign jurisdictions in which they operate. Effective and clear regulations on applying foreign tax credits to prevent double taxation are important for the global competitiveness of the U.S. E&C industry.

The final foreign tax credit regulations (published in January 2022) change the determination of creditable foreign income taxes, including the amount of foreign taxes that would be creditable under sections 901 and 903.

Read a [KPMG report\\*](#) [PDF 1.2 MB] that highlights how the E&C industry will be affected by the final FTC regulations in several seemingly unintended ways.

\*This report was published in *Tax Notes Federal* (August 8, 2022) and is provided with permission.

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