



TaxNewsFlash

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Notice 2024-10: Additional interim guidance on new corporate alternative minimum tax (CAMT)

The U.S. Treasury Department and IRS today released [Notice 2024-10](#) [PDF 177 KB] providing additional interim guidance regarding the application of the new corporate alternative minimum tax (CAMT) created by Pub. L. No. 117-169 (commonly called the “Inflation Reduction Act of 2022” (IRA)), which is effective for tax years beginning after December 31, 2022.

Notice 2024-10 was explained in a related IRS release—[IR-2023-241](#) (December 15, 2023).

Notice 2024-10 clarifies and supplements Notice 2023-7, Notice 2023-20, and Notice 2023-64, issued earlier this year.

The scope of Notice 2024-10 is narrow, and the notice guidance is generally limited to two issues:

- **CFC dividends** (section 3 of the notice): To mitigate the potential for the “earnings of CFCs [controlled foreign corporations] being included in AFSI [“adjusted financial statement income”] of a U.S. Shareholder more than once,” the notice generally disregards “Covered CFC Distributions” to the extent subject to a dividends-received deduction (or otherwise reduced) under chapter 1 of the Code. It is important to note that while the notice rules do *not* cover all CFC dividends (e.g., hybrid dividends and section 1248 dividends), the rules appear to provide relief in most instances, including with respect to CFC-to-CFC dividends and dividends attributable to pre-CAMT earnings and profits (E&P). Taxpayers may rely on the interim guidance in section 3 of the notice for Covered CFC Distributions received before January 1, 2024, and otherwise until proposed CAMT regulations are published in the Federal Register.
- **AFS identification** (section 4 of the notice): The notice modifies and clarifies previously issued guidance regarding which financial statement is the “correct” financial statement (i.e., the “applicable financial statement” or “AFS”). The guidance contains several new rules for members of tax consolidated groups which are more prescriptive than previously issued guidance and cover relatively rare instances when there are multiple consolidated AFSs or disparities between the members of a U.S. tax consolidated group and a financial statement consolidated group.

Notice 2024-10 states that Treasury and the IRS intend to publish proposed regulations consistent with the interim guidance in the notice. It is expected that the proposed regulations will be published sometime early in the 2024.

Comments on the notice are requested and are generally due by January 15, 2024, although consideration will be given to any written comment submitted after that date if such consideration will not delay the issuance of forthcoming proposed regulations.

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