



# TaxNewsFlash

United States

No. 2024-097  
March 13, 2024

## KPMG report: New proposed regulations on bad debt deductions for certain qualifying entities

Proposed regulations under section 166 published in the Federal Register in December 2023 provide rules addressing bad debt deductions for certain qualifying entities.

In particular, the [proposed regulations](#) [PDF 270 KB] would update the standard under Treas. Reg. § 1.166-2 for determining when a debt instrument held by a regulated financial company or a member of a regulated financial group will be conclusively presumed to be worthless. Read [TaxNewsFlash](#)

Read a [March 2024 report\\*](#) [PDF 191 KB] prepared by KPMG LLP that provides an overview of the rules in the proposed regulations and includes certain observations and open questions.

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[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



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