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A successful multi-national business or investor must consider the tax consequences of business or investment decisions. We can help you comply with tax reporting requirements that have a significant impact on your bottom line.

International Tax Reform Update

In the Summer 2009 issue of the *International Tax Adviser*, we summarized “sweeping change” proposed by the Obama administration in the international tax area. Although discussion of international tax reform has been eclipsed lately by the health care debate, it has not fallen off the table. Treasury is still counting on international tax reform to be a major revenue-raiser in the coming years.

At the AICPA National Tax Conference in October, attendees enjoyed the privilege of having the Commissioner of the Internal Revenue Service, Douglas Shulman, speak at lunch. Commissioner Shulman assured us (warned us?) that the Service was not going to be letting up its focus on international activities, especially with respect to international business. The Service is focusing on how to prevent



taxpayers from using the complexity of the international capital markets and the Internal Revenue Code from pushing beyond the acceptable bounds of astute tax planning and into the territory of hiding assets and income overseas.

Commissioner Shulman stated that over 15,000 people with undisclosed foreign income took advantage of the voluntary disclosure program (see the firm’s *Litigation and Valuation Adviser*, Summer 2009) which had been extended to October 15th. He promised Treasury will keep looking for people hiding income or assets offshore. They plan to mine the voluntary disclosure submissions to identify financial institutions or others who helped U.S. taxpayers hide income, to open offices in places such as Beijing and Panama City to be closer to where taxpayers might be hiding income, and to create what can be described as a “SWAT” unit to audit very high net worth taxpayers.

Bottom line: Treasury’s efforts in the international arena will continue for years to come. Let’s be careful out there.

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