No. 2018-594
December 20, 2018

Proposed regulations on hybrid dividends, payments (text of regulations)

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register proposed regulations (REG-104352-18) concerning sections 245A(e) and 267A regarding hybrid dividends and certain amounts paid or accrued in hybrid transactions or with hybrid entities.

Sections 245A(e) and 267A were added to the Code by the new U.S. tax law (Pub. L. No. 115-97, enacted December 22, 2017)—the law that is at times referred to as the “Tax Cuts and Jobs Act” (TCJA). The proposed regulations will affect taxpayers that would otherwise claim a deduction related to hybrid dividends or payments and certain shareholders of foreign corporations that pay or receive hybrid dividends.

Read the proposed regulations [PDF 583 KB] (154 pages)

The proposed regulations will appear in the Federal Register on December 28, 2018. Comments and requests for a public hearing are due by a date that is 60 days after December 28, 2018.

The purpose of this report is to provide text of the regulations. Initial impressions about these proposed regulations will be provided in a future report from TaxNewsFlash.