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Tax Cuts and Jobs Act of 2017 (TCJA) *Key International Tax Provisions*				
Item	***IRC §***	***Effective Date***	***New Law***	***Before Law Change***
Deduction for Foreign-Source Portion of Dividends	245A	Distributions made after 2017	A 100% deduction is provided for the foreign-source portion of dividends received from 10%-owned foreign corporations. No foreign tax credit or deduction is allowed for any taxes paid or accrued with respect to a dividend that qualifies for the deduction. The deduction is available only to C corporations and does not apply to Regulated Investment Companies (RICs) or REITs. If a domestic corporate shareholder sells foreign corporation stock held for one year or more, any amount that is treated as a dividend for purposes of IRC Sec. 1248 is treated as a dividend for purposes of the special dividends received deduction. In addition, if a domestic corporate shareholder benefits from the foreign dividends received deduction, it must reduce its adjusted basis in the stock of the 10%-owned foreign corporation by the amount of the deduction. This is done only for the purpose of determining losses on future sales or exchanges of the stock.	No provision.
Deemed Repatriation Tax	965	Last tax year of a deferred foreign income corporation which begins before 2018	To transition to a new territorial system, a deemed repatriation tax is imposed. This requires U.S. shareholders owning at least 10% of a foreign subsidiary to include in income their pro rata share of the subsidiary's post-1986 E&P. The portion of E&P made up of cash or cash equivalents is taxed at 15.5%, while noncash assets are taxed at 8%. The U.S. shareholder may elect to pay the deemed repatriation tax over eight years. The payment for each of the first five years equals 8% of the net tax liability. The sixth installment equals 15% of the net tax liability. The seventh installment increases to 20% of the net tax liability, while the remaining balance of 25% is due in the eighth year. Under a special rule for S corporations, S corporation shareholders are allowed to elect to maintain deferral on such foreign income until the S corporation (1) changes its status, (2) sells substantially all of its assets or (3) ceases to conduct business. Deferral also may be maintained until the electing shareholder transfers its S corporation stock.	No provision.
Foreign Intangible Income	250	Tax years beginning after 2017	C corporations are allowed a reduced tax rate on foreign-derived intangible income (FDII) and global intangible low-taxed income (GILTI). FDII is generally intangible income that is derived from serving foreign markets. GILTI is the domestic corporation's portion of foreign earnings that exceed an amount equal to a standard rate of return on the foreign company's assets. GILTI does not include effectively connected income, Subpart F income, foreign oil and gas income or certain related party payments. The effective tax rate on FDII is 13.125% in tax years beginning after 2017 and before 2026 and 16.406% after 2025. The effective tax rate on GILTI is 10.5% in tax years beginning after 2017 and before 2026 and 13.125% after 2025.	No provision.

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Tax Cuts and Jobs Act of 2017 (TCJA) *Key International Tax Provisions* (Continued)				
Item	***IRC §***	***Effective Date***	***New Law***	***Before Law Change***
Base Erosion Anti-Abuse Tax (BEAT)	59A	Tax years beginning after 2017	A base *erosion payment* means any amount paid or accrued by a taxpayer to a foreign person that is a related party of the taxpayer and with respect to which a deduction is allowed. Certain corporations with average annual gross receipts of at least $500 million are required to pay a BEAT. The tax is generally 10% (12.5% for tax years beginning after 2025) of the modified taxable income of the taxpayer over an amount equal to the regular tax liability of the taxpayer for the year. Members of affiliated groups that include a bank or securities dealer will be taxed at 11%, increasing to 13.5% after 2025. Amounts paid or incurred for services are excluded from the BEAT if those services meet the requirements for the services cost method under IRC Sec. 482.	No provision.
Related Party Payments	267A	Tax years beginning after 2017	Deductions for certain related-party payments are denied. These include interest or royalty payments to a related party if (1) the related party does not report the payments as income under the laws of the resident country or (2) the related party is allowed a deduction with respect to the payments. These are generally known as *hybrid transactions*.	No provision.

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