

TAX ADVISORY

IRS Considers New Reporting of Uncertain Tax Positions

Our Support Team

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Dear clients and friends:

The IRS on January 26 announced that it is considering a schedule that would require certain corporate business taxpayers to report their uncertain tax positions on their tax returns, with what it calls “a concise description of those positions” and their associated dollar amounts. However, it is anticipated that these rules will also apply to other business entities.

In **Announcement 2010-9** the IRS said the proposal would not require taxpayers to disclose the strength or weakness of their tax positions or amounts reserved for them, even though it could compel the production of that information through a summons.

Taxpayers with assets over \$10 million and financial statements prepared under **Financial Accounting Standards Board Interpretation No. 48 Accounting for Uncertainty in Income Taxes (FIN 48)** would be required to report their uncertain tax positions. The schedule for that reporting would accompany **Form 1120**, the corporate income tax return.

The IRS will accept comments on the proposal until March 29, 2010.

In a **speech** on January 26, IRS Commissioner Douglas Shulman said the proposal is part of that agency’s efforts “to improve transparency regarding material tax issues.”

Examples of tax positions include: a deduction in determining taxable income; an exclusion from, or reduction of, taxable income; or a shift of income between jurisdictions (i.e. transfer pricing).

If you would like additional information on the IRS’s proposal on the reporting of uncertain tax positions, do not hesitate to contact us at (305) 373-5500 or (303) 381-2550.

Sincerely,



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