

Deloitte Tax looks at global information reporting provisions in White House FY 2025 budget blueprint

The fiscal year 2025 budget blueprint that President Biden sent to Congress on March 11 calls for a significant expansion in US financial institution reporting obligations on behalf of non-US account holders, including transactions in digital assets, along with other compliance and reporting provisions intended to “modernize” the tax treatment of digital assets.

Budget proposals carried over from last year would:

- Significantly expand US financial institution reporting obligations on non-US account holders, with the goal of more robust reciprocal tax information exchange between the US and jurisdictions with which it maintains reciprocal income tax treaties or intergovernmental agreements under FATCA;
- Require digital asset exchanges—defined as brokers under the amended section 6045—to report substantial foreign owners of passive entities;
- Require individuals and certain domestic entities to disclose digital assets maintained by a foreign digital asset exchange or other foreign digital asset service provider on Form 8938, Statement of Specified Foreign Financial Assets; and
- Expand the IRS Taxpayer Identification Number (TIN) Matching Program beyond only payments subject to backup withholding.

New proposals for fiscal year 2025 would:

- Require earlier electronic filing deadlines for information returns made under sections 6041 through 6050Z (other than returns and statements required to be filed with respect to nonemployee compensation) and
- Modify the rule that defines 10 percent shareholders for purposes of the exclusion from the exemption for portfolio interest, aligning it with the definition of US shareholders in the controlled foreign corporation context.

Find out more

A new alert from Deloitte Tax LLP’s Global Information reporting group discusses these provisions. (For an overview of all the administration’s revenue proposals for the coming fiscal year, see *Tax News & Views*, Vol. 25, No. 11, Mar. 12, 2024.)

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240315_3_suppA.pdf

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240312_1.html

— Michael DeHoff
Tax Policy Group
Deloitte Tax LLP

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