

Deloitte Tax LLP looks at corporate reorganizations, and certain employee remuneration under section 162(m)

New alerts from Deloitte Tax LLP discuss guidance on corporate separations, reorganizations, and related reporting requirements; and guidance on certain employee remuneration in excess of \$1 million under section 162(m).

Treasury, IRS issues proposed treasury regulations on corporate separations, reorganizations, and related reporting requirements

On January 13, 2025, Treasury and the IRS issued two sets of proposed Treasury regulations (the “Proposed Regulations”) providing guidelines for corporate separations under section 355, reorganizations under section 368, certain other subchapter C matters, and related reporting requirements. The first set of Proposed Regulations (the “Substantive Proposed Regulations”) address certain matters relating to section 355 spin-offs, section 351 transactions, and section 368 reorganizations. The second set of Proposed Regulations (the “Reporting Proposed Regulations”) introduce multi-year reporting for section 355 spin-off transactions.

Details of the new guidance are provided in a new alert from Deloitte Tax LLP.

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250131_4_suppB.pdf

Treasury and IRS release proposed regulations on certain employee remuneration in excess of \$1 million under section 162(m)

On January 14, 2025, the Internal Revenue Service released proposed regulations (the “Proposed Regulations”) to implement amendments to section 162(m) of the Internal Revenue Code made by the American Rescue Plan Act of 2021 (P.L. 117-2) (“ARPA”). The ARPA amendment expanded the definition of a covered employee for taxable years after December 31, 2026. These Proposed Regulations were published in the Federal Register on January 16, 2025, and provide rules to assist taxpayers in the determination of individuals included in the new category of covered employees under section 162(m)(3)(C), as amended by the ARPA.

URL: <https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>

Details of the new guidance are provided in a new alert from Deloitte Tax LLP.

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250131_4_suppA.pdf

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