

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

CAROLINE L. HARRIS
VICE PRESIDENT, TAX POLICY
& ECONOMIC DEVELOPMENT
CHIEF TAX POLICY COUNSEL
ECONOMIC POLICY DIVISION

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202-463-5406

February 5, 2021

Office of Associate Chief Counsel
Attention: Suzanne M. Walsh, Jeffrey P. Cowan, Brad McCormack, Tianlin (Laura) Shi,
Logan Kincheloe, and Jeffrey L. Parry
Internal Revenue Service (I.R.S.)
1111 Constitution Avenue, NW Washington, DC 20224

CC:PA:LPD:PR (REG-101657-20)
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station Washington, D.C. 20224

Via Federal eRulemaking Portal

**RE: Comments on REG-101657-20: Guidance Related to the Foreign Tax Credit;
Clarification of Foreign-Derived Intangible Income**

Dear Sir or Madam:

The U.S. Chamber of Commerce appreciates the opportunity to provide feedback on REG-101657-20, proposed regulations relating to the foreign tax credit, including guidance on the disallowance of a credit or deduction for foreign income taxes with respect to dividends eligible for a dividends-received deduction; the allocation and apportionment of interest expense, foreign income tax expense, and certain deductions of life insurance companies; the definition of a foreign income tax and a tax in lieu of an income tax; transition rules relating to the impact on loss accounts of net operating loss carrybacks allowed by reason of the Coronavirus Aid, Relief, and Economic Security Act; the definition of foreign branch category and financial services income; the time at which foreign taxes accrue and can be claimed as a credit – as well as proposed regulations clarifying rules relating to foreign-derived intangible income, as published in the *Federal Register* on November 12, 2020.

The attached chart identifies issues arising under REG-101657-20 and provides suggested solutions as well as any additional explanation the Chamber believes would be helpful in addressing the issue. This feedback is the product of extensive conversations with a very wide

array of impacted Chamber members. These comments may be considered as representing some of the most serious issues but are not all the issues concerning Chamber members on REG-101657-20.

The Chamber appreciates the opportunity to provide this feedback on REG-101657-20. The Chamber strongly urges Treasury and the IRS to continue to work closely with the business community to implement the 2017 tax law changes in a manner to ensure as little disruption as possible to normal business operations and that this law encourages the U.S. economy to achieve its true growth potential. The Chamber looks forward to working with you to address these and other issues as we work to implement our revised tax code. Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Caroline L. Harris', with a stylized flourish at the end.

Caroline L. Harris