

## Weekly IRS Roundup August 5 - 9, 2019

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Presented below is our summary of significant Internal Revenue Service (IRS) guidance and relevant tax matters for the week of August 5 - 9, 2019.

**August 5, 2019:** The IRS issued a [notice of withdrawal](#) of directive LB&I-04-0118-005, which provided guidance on transfer pricing issue election for cost-sharing arrangement stock based compensation. For further coverage of this issue, see our recent [post](#).

**August 6, 2019:** The IRS released [a revenue procedure](#) that provides simplified procedures for insurance companies to obtain automatic consent to change their method of accounting. The revenue procedure applies to any insurance company that changes its method of computing life insurance reserves to comply with Section 807, as amended by the 2017 tax act, Pub. L. No. 115-97, for the first taxable year beginning after December 31, 2017, and provides that adjustments under Section 481(a) are taken into account. The IRS also included insurance companies that change their methods of capitalizing and amortizing specified policy acquisition expenses to comply with Section 848, as amended by the 2017 tax act, for the first taxable year beginning after December 31, 2017. The IRS also stated that the provisions of Revenue Procedure 2015-13 apply to an insurance company covered by the scope of Revenue Procedure 2019-34.

**August 7, 2019:** The IRS released [corrections to proposed regulations](#) that provide several corrections to proposed regulations regarding the limitation on dividends received deduction available for former controlled foreign corporations.

**August 7, 2019:** The IRS released [corrections to temporary regulations](#) regarding the limitation on dividends received deduction available for former controlled foreign corporations.

**August 7, 2019:** The IRS released [corrections to the preamble of final regulations](#) regarding the limitation on dividends received deduction available for former controlled foreign corporations.

**August 9, 2019:** The IRS released [proposed regulations](#) that would provide guidance on classifying cloud transaction as either a provision of services or as a lease of property for international provisions of the tax code and that would modify the rules for classifying transactions involving computer programs by applying the rules to digital content transfers. The proposed regulations would provide a definition of cloud transaction, as a transaction through which a person obtains non-*de minimis* on-demand network access to computer hardware, digital content, or other similar resources. The proposed regulations would broaden the scope of existing Regulations Section 1.861-18 to apply to all transfers of digital content.

**August 9, 2019:** The IRS released its weekly list of [written determinations](#) (e.g., Private Letter Rulings, Technical Advice Memorandums and Chief Counsel Advice).

*Special thanks to Alex Ruff in our Chicago office for this week's roundup.*

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