

Part III

Administrative, Procedural, and Miscellaneous

Rev. Proc. 2017-23

SECTION 1. PURPOSE AND SCOPE

This revenue procedure describes the process for filing Form 8975, *Country-by-Country Report*, and accompanying Schedules A, *Tax Jurisdiction and Constituent Entity Information* (collectively, Form 8975), by ultimate parent entities of U.S. multinational enterprise (MNE) groups for reporting periods beginning on or after January 1, 2016, but before the applicability date of §1.6038-4 (early reporting periods).

SECTION 2. BACKGROUND

.01 On June 30, 2016, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) published in the Federal Register final regulations (T.D. 9773) (CbC reporting regulations) that require certain U.S. business entities that are the ultimate parent entity of a U.S. MNE group to file Form 8975 annually with the IRS. See §1.6038-4. Form 8975 requires the ultimate parent entity of

a U.S. MNE group to report information, on a country-by-country basis, related to the group's income and taxes paid, together with certain indicators of the location of the group's economic activity. The CbC reporting regulations apply to reporting periods of ultimate parent entities of U.S. MNE groups that begin on or after the first day of the first taxable year of the ultimate parent entity that begins on or after June 30, 2016.

.02 Some jurisdictions have adopted country-by-country (CbC) reporting requirements for annual accounting periods beginning on or after January 1, 2016, that would require a constituent entity resident in the jurisdiction to report CbC information if the constituent entity is part of an MNE group with an ultimate parent entity resident in a jurisdiction that does not have a CbC reporting requirement (including pursuant to parent surrogate filing) for the same annual accounting period (local CbC filing). Consequently, constituent entities of a U.S. MNE group may be subject to local CbC filing for early reporting periods, unless the ultimate parent entity files a Form 8975, or reports CbC information to another jurisdiction that accepts surrogate filing, for such early reporting period. The preamble to the CbC reporting regulations indicated that the Treasury Department and the IRS would provide a procedure for ultimate parent entities of U.S. MNE groups to file Form 8975 for early reporting periods.

SECTION 3. FILING PROCEDURE

.01 Beginning on September 1, 2017, Form 8975 may be filed for an early reporting period with the income tax return or other return as provided in the Instructions to Form 8975 for the taxable year of the ultimate parent entity of the U.S. MNE group with or within which the early reporting period ends. In order to file Form 8975 for an

early reporting period, an ultimate parent entity that files (or has filed) an income tax return for a taxable year that includes an early reporting period without a Form 8975 attached must follow the procedures for filing an amended income tax return and attach Form 8975 to the amended return within twelve months of the close of the taxable year that includes the early reporting period. Filing an amended income tax return solely to attach Form 8975 in accordance with this revenue procedure will have no effect on the statute of limitations for the income tax return.

.02 In order to ensure timely automatic exchange of the information on a Form 8975 for an early reporting period, ultimate parent entities that are able to file their returns electronically are encouraged to file their returns and the Forms 8975 electronically. An ultimate parent entity that files its return electronically must file the Form 8975 through the IRS Modernized e-File system in Extensible Markup Language (XML) format, not as a binary attachment (such as a PDF file). The IRS intends to provide specific electronic filing information on Form 8975 to the software industry in early 2017 so that developers will be able to make Form 8975 available in their software ahead of the September 1, 2017, implementation date. For filers of Form 8975 that are not eligible to use Modernized e-File to file their income tax return, a paper version of Form 8975 will be made available in advance of the September 1, 2017, implementation date.

SECTION 4. APPLICABILITY DATE

This revenue procedure applies to reporting periods of ultimate parent entities of U.S. MNE groups beginning on or after January 1, 2016, and before the applicability

date of §1.6038-4.

SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is Melinda E. Harvey of the Office of Associate Chief Counsel (International). For further information regarding this revenue procedure contact Melinda E. Harvey at (202) 317-6934 (not a toll free call).