



Tax Alert – U.S.

IRS Announcement of International Campaign Targeting Foreign Corporations

The IRS Released the Following “Campaign” Form 1120-F Non-Filer Campaign

Foreign companies doing business in the U.S. are often required to file Form 1120-F. IRS has data suggesting that many of these companies are not meeting their filing obligations. In this campaign, IRS will use various external data sources to identify these foreign companies and encourage them to file their required returns. If the companies do not take appropriate action, IRS will conduct examinations to determine the correct tax liability. The goal is to increase voluntary compliance by foreign corporations with a U.S. business nexus.

What Canadian Corporations Should Quickly Consider?

- Will “various external data sources” lead the IRS to our company? (U.S. Customs?)
- Does our company have an obligation to file with the IRS?
- Will the IRS attempt to tax our company?

How MNP Can Help?

- We can prepare your company for the possibility of IRS action
- With advance preparation, we can substantially mitigate your company’s exposure and increase your peace of mind

If you have any questions, contact your local U.S. Corporate tax specialist:

Michael Shumate

T: 416.260.3509

E: michael.shumate@mnp.ca

Todd Jenkins

T: 204.775.4531

E: todd.jenkins@mnp.ca

Alex Gamaletsos

T: 403.537.7662

E: alex.gamaletsos@mnp.ca

Dennis Werkman

T: 604.637.1517

E: dennis.werkman@mnp.ca