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Controlled Foreign Corporations And the OBBBA

New York International Trusts & Estates Partner Carl Merino recently authored an article for *WealthManagement.com* titled “Controlled Foreign Corporations and the OBBBA.”

In the piece, Merino examines how the One Big Beautiful Bill Act (OBBBA) transforms the landscape for controlled foreign corporations, focusing on significant revisions to attribution rules and the calculation of U.S. shareholders' pro rata shares of subpart F income and net CFC tested income. He explains the restoration of limits on downward attribution, the elimination of the “last-day” rule for determining subpart F income inclusions, and changes to how subpart F income is allocated among U.S. shareholders when there is a change in ownership or status. Merino also explores the estate and succession planning implications of these changes for multinational families and cross-border ownership structures, highlighting their potential impact on post-mortem tax planning and compliance.

Read the full article here.

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