



# Mindy Herzfeld Writes for Tax Notes on BEAT Rationales

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IPB Counsel Mindy Herzfeld published the article, "Treasury's Inconsistent BEAT Rationales," in the January 6 edition of *Tax Notes*. Discussing the final base erosion and anti-abuse tax (BEAT) regulations issued in December 2019, she writes, "the government struggled to explain why it refused many taxpayer suggestions for relief from the statute's capricious consequences. Treasury's failure to provide coherent explanations to support its rulemaking has both domestic and international implications, given that a variation of the U.S. rule is on track to be exported to the rest of the world via the OECD's global anti-base-erosion proposal."

Herzfeld concludes that, "The inconsistencies in Treasury's explanations for the final BEAT regulations are problematic for many reasons, including that they make it likely that taxpayers will litigate some of the rules, creating long-term uncertainty. They also suggest that the government's rulemaking process is arbitrary and a set of rules that can't be explained in coherent policy terms increases the opportunities and rationales for taxpayer planning and abuse. Finally, they point to the many challenges the OECD will face as it proceeds to write rules for its global anti-base-erosion regime."