



PPL: How to Determine Whether a Foreign Tax Is Creditable

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PPL Corp. v. Commissioner presents the question whether the creditability of a foreign tax must be determined by applying the requirements of the section 901 regulations to the foreign statute's formula for the tax or by applying those requirements to an algebraic equivalent reformulation of the statutory formula. The decision will likely turn on whether the Supreme Court agrees with PPL that tax law's general substance-over-form principle authorizes reliance on an algebraic reformulation to determine whether a foreign tax is creditable for U.S. tax purposes. The author and his colleagues, Robert B. Stack and John D. Bates, filed an amicus brief in the Supreme Court in support of PPL.