

House to Consider Bill Containing Carried Interest Proposal, Ban on Bearer Bonds and Updated FATCA Rules

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On December 9, the House of Representatives will consider a bill to extend a variety of expiring tax provisions. As had been expected, the bill will include as revenue raisers a revised version of the “Foreign Account Tax Compliance Act” (“FATCA”) and a revised version of Representative Sander Levin’s proposal to tax income from a service provider’s profits interest in an investment partnership at ordinary rates (the “carry proposal”). We described the highlights of the original FATCA proposal in a memorandum dated October 28, Highlights of Proposed Legislation Aimed at Combating Offshore Tax Evasion, and the previous carry proposal in a memorandum dated April 13, Update on “Carried Interest” Legislation: New Levin Bill. There follows a brief summary of certain proposed changes that the House is considering making to the originally proposed FATCA and carry proposals.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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