

## ONESOURCE International Tax Calculator

For multinational corporations, the Tax Cuts and Jobs Act (TCJA) moved the U.S. tax system away from one whereby foreign earnings were generally taxed upon receipt of a dividend (i.e. deferred) to a system whereby a significant portion of foreign earnings are now included in the consolidated tax provision and the U.S. tax return. This inclusion materially increases your organization's overall tax expense and effective tax rate. These new international tax provisions are extremely complicated, requiring new model builds for each new calculation and putting a strain on existing resources and processes currently in place.

To ease those stresses, we've designed our solutions to help you address the challenges of an ever-changing tax landscape, so you can focus your time on proactively helping your organization drive ROI.

Before reporting to the SEC and IRS, wouldn't it be beneficial to run your numbers through a parallel process? Now available is our powerful software solution to help you address, what could be, one of the largest tax calculations of all time.

### Introducing the Solution

The ONESOURCE International Tax Calculator is a comprehensive, intuitive application designed for today's multinational tax department. It includes a full set of U.S. outbound calculations and all the new required international calculations in the Tax Cuts and Jobs Act. These calculations are easily integrated into ONESOURCE Tax Provision, automating the most complex aspects of the tax provision process. The calculator also has robust cash tax planning capabilities that allow companies to not only address their financial reporting requirements — but also minimize taxes in planning for the future.

### Value for You

With ONESOURCE International Tax Calculator, you'll get:

- A complete, accurate, and intuitive solution for required international calculations, automating these calculations for the tax provision process
- Current and continual updates upon issuance, alleviating the need for constant monitoring and updating of in-house solutions
- Cash tax management and planning, using embedded local country tax and withholding tax rates for potential repatriation scenarios

### Taxation of Foreign Company Income

The new tax provisions impose a mandatory one-time tax — or "transition tax" — on certain foreign company accumulated earnings that had previously not been subject to U.S. federal income tax until distributed as a dividend to U.S. shareholders. This one-time transition tax calculation produces both the 2017 and the 2018 inclusion amounts. Our solution does the following:

- Loads an Entity Chart
- Collects E&P as of November 2 and December 31, 2017
- Allows Cash Position inputs
- Offsets deficits
- Determines the 965a Inclusion and Gross-up — both Cash & Residual Portions
- Haircuts the 965a Inclusion for the 15.5% and 8% tax rates
- Allows expense apportionment and 904 loss offsets
- Determines the Foreign Tax Credit
- Separately states the 965a Inclusion and Tax from Regular Tax for the Installment Election

## New Inclusion Provisions, Minimum Tax, and International Tax Calculations

The TCJA includes several provisions imposing new taxes on U.S. multinational corporations' foreign source income. ONESOURCE International Tax Calculator includes calculations for the following:

### Global Intangible Low-Taxed Income (GILTI)

- Specified Tangible Property (by quarter)
- Qualified Business Asset Investment (QBAI) calculation by CFC or by legal-entity with rollup to CFCs
- GILTI Inclusion & Gross-up by U.S. Shareholder
- Granular Tested Income Calculation (with apportioned expenses)

### Foreign-Derived Intangible Income (FDII)

- Foreign Derived Deduction Eligible Income (FDDEI)
- Uses GILTI calculation to determine Deduction Eligible Income (DEI)
- Uses QBAI from GILTI calculation

### Base Erosion Anti-Abuse Tax (BEAT)

- Updated BEAT Rate Per Tax Year
- Modified Taxable Income with Base Erosion Percentage NOL Deduction

## Full U.S. Outbound Tax Calculation

In addition, a Full Outbound U.S. Tax calculation is available to determine the ordinary U.S. outbound calculations:

- Foreign E&P
- Subpart F
- Dividends
- Section 956
- Look-Thru and U.S. FTC amounts

This solution smooths out the new complications from tax reform and coordinates all of these outbound calculations.

## Automatic Country by Country Withholding Tax and Local Tax Calculation

When considering actual cash distributions from lower tiers to ultimate U.S. parents, the software will automatically create dividend roll up transactions, adding local country tax on dividends received and withholding taxes based on domestic and tax treaty rates — and even allowing expense apportionment and 904 loss offsets.

## Data Integration With Other ONESOURCE Products

Relevant data such as E&P, tax pools, and trial balance items can be easily imported into ONESOURCE International Tax Calculator and exports are in ONESOURCE Tax Provision upload format for easy consumption.

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