



# TaxNewsFlash

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## Proposed regulations: Guidance on new 1% excise tax on repurchases of corporate stock

The U.S. Treasury Department and IRS today released [proposed regulations](#) (REG- 115710-22) that would provide guidance on the new 1% excise tax on repurchases of corporate stock made after December 31, 2022, as well as [proposed regulations](#) (REG-118499-23) that would provide guidance regarding reporting and payment of the new excise tax.

Treasury and the IRS previously published Notice 2023-2 to provide initial guidance regarding the application of the stock repurchase excise tax (read [TaxNewsFlash](#)), and Notice 2023-2 is obsolete for repurchases, issuances, and provisions of stock of a covered corporation occurring after April 12, 2024.

The proposed regulations providing general guidance on application of the new excise tax are proposed to generally apply to repurchases of stock of a covered corporation occurring after December 31, 2022, and during tax years ending after December 31, 2022, and to issuances and provisions of stock of a covered corporation occurring during tax years ending after December 31, 2022. However, certain proposed rules that were not described in Notice 2023-2 would apply to repurchases, issuances, or provisions of stock of a covered corporation occurring after April 12, 2024, and during tax years ending after April 12, 2024.

The proposed regulations providing guidance regarding reporting and payment of the new excise tax are proposed to apply to stock repurchase excise tax returns required to be filed after the date of publication of final regulations in the Federal Register.

Comments and requests for a public hearing on both sets of proposed regulations must be received by June 11, 2024.

Read a related IRS release—[IR-2024-101](#) (April 9, 2024)

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