



# TaxNewsFlash

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## Final regulations: Guidance on procedural requirements for section 5000D excise tax on sales of “designated drugs”

The U.S. Treasury Department and IRS today released [final regulations](#) (T.D. 10003) providing guidance on how taxpayers will report liability for the excise tax imposed under section 5000D on manufacturers, producers, or importers of certain “designated drugs,” which was introduced by H.R. 5376 (commonly called the “Inflation Reduction Act” (IRA)).

The final regulations adopt proposed regulations published on October 2, 2023 (read [TaxNewsFlash](#)) with three non-substantive modifications.

The final regulations are effective on August 5, 2024.

### KPMG observation

Like the proposed regulations, the final regulations specifically note that the section 5000D tax is excepted from semimonthly deposit requirements. Taxpayers will also not be required to file returns for quarters in which they incur no section 5000D tax liability.

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