

TaxNewsFlash

United States

No. 2025-342
December 4, 2025

Notices 2025-75, 2025-77, and 2025-78: Intent to issue proposed regulations regarding various international tax provisions of OBBBA

The IRS today released [Notice 2025-75](#), [Notice 2025-77](#), and [Notice 2025-78](#), announcing that the Treasury Department and IRS intend to issue proposed regulations regarding the following international tax provisions of Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBA)), respectively:

- Section 70354(c)(2) of OBBBA, which provides a transition rule for dividends that modifies the application of section 951(a)(2)(B) for certain tax years of foreign corporations beginning before January 1, 2026.
- Section 70312 of OBBBA, which under section 960(d)(4) disallows a foreign tax credit (FTC) for 10% (decreased from 20% under prior law) of any foreign income taxes paid or accrued (or deemed paid under section 960(b)(1)) with respect to any amount excluded from gross income under section 959(a) by reason of an inclusion in gross income under section 951A(a) after June 28, 2025.
- Section 70322 of OBBBA, which generally excludes from the determination of deduction eligible income (DEI) under section 250(b)(3) any income or gain from the sale or other disposition (including pursuant to a deemed sale or deemed disposition or a transaction subject to section 367(d)) of intangible property (as defined in section 367(d)(4)) or other property that is subject to depreciation, amortization, or depletion, after June 16, 2025. Notice 2025-78 primarily addresses the meanings of intangible property, “any other property of a type,” and sale or other disposition for purposes of section 250(b).

The notices all state that taxpayers may rely on the respective rules described in the notices before the forthcoming proposed regulations are published in the Federal Register, provided that taxpayers (and their related parties) follow the rules in their entirety and in a consistent manner for all applicable tax years.

Notices 2025-75 and 2025-78 also request comments on the rules described in the notices by February 2, 2026.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)