

Tax Insights | January 12, 2023

## Tracking Tax News, You Need to Know



### IRS Has the Power To Implement OECD Crypto Framework, Official Says

A Treasury official said that the IRS has the authority to require information in the global digital asset tax reporting framework. The OECD released a crypto asset reporting [framework](#) last year as an international standard for reporting crypto. A Treasury official said that the 2021 infrastructure law gives the IRS authority to require most of the information under the OECD's framework. Treasury plans to issue guidance under Sections 6045 and 6045A on how crypto brokers should report crypto assets. (Section references are to the Internal Revenue Code of 1986, as amended (the Code).)

### IRS Notice on Corporate Stock Repurchase Excise Tax Guidance

The IRS [released](#) interim guidance to address the application of the new 1% excise tax on the aggregate fair market value of stock repurchased by certain corporations under Section 4501. The new Code section was added by the Inflation Reduction Act of 2022. Proposed regulations are forthcoming, according to the IRS.

### LLC Allowed To Change Classification From Corporation to DRE

A limited liability company received [consent](#) from the IRS to change its classification from an association taxable as a corporation to a disregarded entity. All of its interests were transferred to an entity treated as a partnership for tax purposes. The IRS may permit an entity to change its classification by election within 60 months of its previous entity classification election if more than 50% of the ownership interest in the entity as of its effective date of the subsequent election are owned by persons that did not own any interests on the filing date.



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