

COMPREHENSIVE GLOBAL TAX PLANNING TO REDUCE THE GLOBAL EFFECTIVE TAX RATE

CFOs and General Counsel at U.S. multinational corporations are confronted with complex international tax that requires comprehensive global tax planning to reduce the global effective tax rate. Without a comprehensive strategy that considers not only the tax implications of the country where the transaction occurs, but also analyzing the tax implications back to the U.S., planning strategies may bring little to no actual benefit to the U.S. multinational corporation. Our team proactively plans for the tax strategy of U.S. multinational corporations to provide a global framework by continually evaluating the company's operational and tax positions and respond with a tax analysis that addresses the key considerations.

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The big accounting and law firms will put an enormous team together to review tax implications in each country. Too often, there is no focus on the global strategy and each professional restricts their planning only to the implications of the country where they are located. These global firms have some of the best international tax experts on their team, however, these experts are often not part of the client's direct team and it can take months for these experts to answer questions that impact the tax strategy. This lack of coordination and not having the key planning members consistently at the table for these U.S. multinational corporations leads to inefficiencies and missed planning opportunities that result in more tax paid.

Executing transactions involving multiple taxing jurisdictions requires continuous planning, monitoring, and measuring the tax implications of these activities to maintain a competitive effective tax rate and maximizing corporate earnings. The tax planning is not static because the facts surrounding international business are ever-changing. To address this dynamic environment, the planning process must continually evaluate the company's operational and treasury positions.

Our team understands how to coordinate with professionals in multiple jurisdictions and proactively analyze the tax implications back to the U.S. to implement the best planning options. As a starting point to this planning, we establish the objectives of the planning framework with the U.S. multinational corporation that considers:

- (1) the factual foundation for planning;
- (2) reduction of U.S. tax;
- (3) reduce local country tax;
- (4) utilize foreign tax credits;
- (5) facilitates the movement of cash among foreign affiliates; and
- (6) provides for the efficient repatriation of cash from foreign affiliates to the U.S.

We do not replace the need for professionals in each country. Rather, we ensure there is a comprehensive plan in place that is customized to the U.S. multinational corporation's situation and reduce inefficiencies of not considering the global implications when key decisions are made. This results in less tax paid by the U.S. multinational corporation.

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