

## Loren Ponds Comments on Potential Changes to the GILTI Regime in Law360

**"GILTI Regime Could Eventually See Tweaks, If Only Indirectly"**

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Loren Ponds commented on possible revisions to the global intangible low-taxed (GILTI) regime. With narrow control over Congress, Democrats can take up initiatives that President Biden raised on the campaign trail, including doubling the rate for GILTI, which was enacted under The Tax Cuts and Jobs Act (2017). The regulations allow an exception for GILTI on foreign income that has already been taxed offshore at a high rate, and the rules have been the target of criticism from congressional Democrats. Some had speculated that a Treasury Department under the Biden administration would attempt to modify or revoke the GILTI high tax exclusion provided for in regulations that were finalized in 2020, but now with the Democrats in control of both the House and the Senate, most eyes are on potential legislation. "We will see what direction the administration wants to take with GILTI, now that legislative changes are back on the table," Ponds said. "The proposals that Biden made while he was on the campaign trail will probably garner more attention than regulatory modifications."