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UPDATED: Trump Issues Executive Order to Halt Implementation of Tax Changes

GOVERNMENT, TAX
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On February 13th an IRS official said that due to specific instructions from the Trump administration regarding the government regulatory process, the IRS will not be releasing any guidance including revenue procedures and revenue rulings that are "beyond the most routine items for a while".

President Trump has been in office a nearly two weeks, and during that time, he has issued fifteen executive orders. These executive orders cover a wide range of items from immigration to the Affordable Care Act.

The one executive order that has a significant impact on tax-related matters is the order to impose a government wide freeze on new and pending regulations. However, there were two Regulations that had a January 19th effective date that preceded the administration's January 20th freeze. They are Code Section 7704 Regulations regarding qualifying income for publically traded partnerships (PTP) and Code Section 871(m) regarding withholding tax on dividend equivalent payments. According to the website of the Office of Federal Register, once a rule is published in the federal register, it is law. The White House Chief of Staff Reince Priebus addressed Regulations that have been published, but have not yet taken effect, calling for the effective date to be postponed 60 days from January 20th. Although after closer examination of the process, it now appears that this postponement will not be available.

Although these two pending regulations have become final, we will have to wait and see if other pending Regulations will be passed into law or undone. The main Regulation that will be impacted by this freeze is the Proposed Centralized Partnership Audit Regulations. These Regulations were set to make audit adjustments at the partnership level instead of the partner level, which is currently the case. In addition, President Trump has stated that he plans to eliminate up to 75% of the current Regulations on the books. This will be in addition to the tax reform he has promised to unveil in his first 100 days. Stay tuned for more details.

If you have questions about the pending regulations, [please contact Schneider Downs](#) and [visit our Tax Services page to learn more](#).

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