



International Tax Americas

June 2016

This e-newsletter gives you an overview of international tax developments being reported globally by KPMG member firms in the Americas Region between **1 June and 30 June 2016**.

Bahamas	Canada	United States
Brazil	Paraguay	

For a full summary of global tax developments, visit [kpmg.com/TaxNewsFlash](#).

To contact the International Tax Team email internationaltax@kpmg.com.

To register for the International Tax webcasts, click [here](#).

	Tax area concerned	Relevant date/Case reference	Description of measures and publication link <i>(Considerations in italic where necessary)</i>
Bahamas			
Proposed legislation	Customs duties / VAT	June 2016	The 2016/17 budget announced several tax measures, among others maintaining the VAT rate at 7.5 percent, introducing certain reductions in customs duties on numerous items and eliminating / adjusting the stamp (tax) duties imposed on certain transactions. Read more

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Brazil			
KPMG publications	Tax guides / Oil&gas	June 2016	KPMG in Brazil has prepared the 2016 guide to Brazilian oil and gas taxation. Read more

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Canada			
Tax legislation adopted and regulatory update	Anti-avoidance	June 2016	Canadian corporations that receive dividends from other Canadian corporations now have more guidance from the Canada Revenue Agency (CRA) about the potential application of an expanded anti-avoidance rule. Read more
	Corporate income tax	22 June	Bill C-15, which implements certain measures announced in the 2016 federal budget, received Royal Assent. The bill includes, among others, the following corporate tax measures: <ul style="list-style-type: none">— keep the small business tax rate at 10.5 percent for the 2016 and subsequent taxation years— amend the anti-avoidance rules in that prevent the conversion of capital gains into tax-deductible inter-corporate dividends— modify the dividend rental arrangement rules to deny the inter-corporate dividend deduction for synthetic equity arrangements— expand the definition of Canadian exploration expense, to include the costs of environmental studies or community consultations to obtain certain permits— tighten the anti-avoidance rules for captive insurance companies by amending the foreign accrual property income rules. Read more
	Corporate income tax / Dividend tax	15 June 2016	Manitoba Bill 11, which contains certain measures that were announced in Manitoba's 2016 budget, received first reading. The bill includes several corporate tax measures and also adjusts the Manitoba dividend tax credit rate for non-eligible dividends. Read more
	Corporate income tax / Personal income tax	June 2016	The 2016 budgets in the Yukon, Northwest Territories, and Nunavut do not include any proposals for changes to the corporate or individual (personal) income tax rates. Read more
		20 May 2016	Nova Scotia Bill 174 that enacts certain measures announced in Nova Scotia's 2016 budget, received Royal Assent. Nova Scotia has a majority

			government. The legislation does not include changes to the individual (personal) or corporate tax rates. Read more
HST	1 October 2016		Transitional rules have been released by Prince Edward Island for the upcoming increase in the rate of the harmonized sales tax (HST) to 15 percent (from 14 percent) effective 1 October 2016. Read more
Tax credits	19 May 2016		B.C. Bill 25 enacts, among other measures, the B.C. film credit reductions, and received Royal Assent. Read more
Various tax areas	13 June 2016		Alberta Bill 20, which enacts certain tax measures from the Alberta 2016 budget, received Royal Assent. Read more
	7 June 2016		Legislation in Newfoundland, enacting certain corporate tax measures and tax rate increases as announced in Newfoundland's 2016 budget, received Royal Assent. Read more
	6 June 2016		Saskatchewan Bill 22, which includes certain measures announced in Saskatchewan's 2016 Budget, received first reading. Read more
Proposed legislation	Various tax areas	2017	Legislation containing measures announced in Alberta's 2016 budget received first reading on 24 May 2016. The proposed legislation would: <ul style="list-style-type: none"> — introduce a carbon levy effective 1 January 2017 — reduce Alberta's small business corporate income tax rate by one third, from 3 percent to 2 percent, effective 1 January 2017 — amend the individual (personal) income tax to allow a carbon rebate for certain lower and middle income individuals. Read more
Other	Tax transparency	May 2016	Officials from the Canada Revenue Agency (CRA)—speaking at an annual conference of the Canadian branch of the International Fiscal Association — commented on the proper classification of limited liability partnerships and limited liability limited partnerships governed by the laws of Florida and Delaware and said that these entities are to be treated as corporations for Canadian tax purposes. Read more

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Paraguay

Tax legislation adopted and regulatory update	Exchange of information	16 June 2016	The Organization for Economic Cooperation and Development announced that Paraguay has agreed to implement the international standard of exchange of information on request and to work towards a practicable timeframe to implement the standard of automatic exchange of financial account information. Read more
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United States

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