

Installments not to prevent credit or refund of overpayments or increase estimated taxes

Section 965, the one-time repatriation toll charge, imposed a tax on the untaxed foreign earnings of U.S. companies in 2017. Companies had the option to pay the tax up front, or in installments over eight years. Some companies overpaid their 2017 taxes as a result of Section 965, but were unable to claim a refund of those taxes due to an interaction with the rules for electing installment payments. This provision, which corrects an error in the Tax Cuts and Jobs Act, allows companies to recover the overpayment of taxes paid on the toll charge to help with liquidity during the current crisis.