
SUMMARY OF CONTENTS

PREFACE.....	v
TABLE OF CASES	xix
Introduction: The International Tax Regime	1
PART A. General	17
CHAPTER 1. Jurisdiction to Tax and Definitions	18
1.1 Jurisdiction to Tax: In General.....	18
1.2 Definitions	20
1.3 Review Problems—Chapter 1	29
CHAPTER 2. The Source of Income	31
2.1 Introduction and Overview	31
2.2 Substantive v. Formal Rules	32
2.3 To What Category Does Income Belong?	40
2.4 What About Income That Does Not Belong to Any Category? ...	85
2.5 What if Income Is Generated Both Inside and Outside the United State?.....	89
2.6 How Much Control Do Taxpayers Have Over Sourcing Income? ..	94
2.7 Conclusion	100
2.8 Review Problems—Chapter 2	100
CHAPTER 3. The Allocation of Deductions	102
3.1 Introduction and Overview	102
3.2 Allocation of Deductions.....	105
3.3 The Allocation and Apportionment of Interest Expense (Sec- tion 864(e)).....	112
3.4 The Sourcing of R & E Expense.....	117
3.5 Review Problems—Chapter 3	118
PART B. U.S. Income of Foreign Taxpayers	119
CHAPTER 4. The Taxation of Non-Business Income	120
4.1 Introduction	120
4.2 Overview.....	120
4.3 Taxation of Nonresident Individuals	123
4.4 Taxation of Foreign Corporations	124

4.5	The Heart of Gross Basis Taxation of Nonresidents: "Fixed or Determinable, Annual or Periodical" Income	125
4.6	Beyond FDAP	129
4.7	Exceptions.....	130
4.8	Collections.....	133
4.9	Conclusion	139
4.10	Review Problems—Chapter 4	140
CHAPTER 5. The Taxation of Business Income		141
5.1	Introduction and Overview	141
5.2	What Is a U.S. Trade or Business?	141
5.3	What Is Effectively Connected?	181
5.4	Review of Basic Regime for Nonresidents.....	183
5.5	The Branch Profits Tax.....	183
5.6	The Earnings Stripping Rule.....	185
5.7	Review Problems—Chapter 5	187
PART C. The Transfer Pricing Problem.....		191
CHAPTER 6. The Transfer Pricing Problem		192
6.1	The Root of the Problem	193
6.2	A Classic Example	198
6.3	The Problem of Comparables	210
6.4	More on the Operation of the Transfer Pricing Rules	219
6.5	The Interaction With Foreign Law.....	259
6.6	Conclusion: Is There a Feasible Alternative?	266
6.7	Review Problems—Chapter 6	266
PART D. Foreign Income of U.S. Taxpayers.....		269
CHAPTER 7. Deferral and its Limits.....		270
7.1	The Problem of Deferral.....	270
7.2	Limitations Primarily for Individuals	271
7.3	Limitations Primarily for Corporations.....	275
7.4	The Operation of Subpart F and Other Provisions That May Affect CFCs	343
7.5	The Future of Deferral.....	357
7.6	Review Problems—Chapter 7	358
CHAPTER 8. The Foreign Tax Credit.....		360
8.1	Introduction	360
8.2	The Three Hoops	361

8.3	The Foreign Tax Credit Limitation	391
8.4	The Indirect Credit.....	396
8.5	Foreign Tax Credit "Abuse"	416
8.6	Review Questions—Chapter 8	451
PART E. The U.S. and the International Tax Regime.....		453
CHAPTER 9. Section 367 & Cross-Border Transfers of Property.....		454
9.1.A:	In General.....	454
9.1.B:	Incorporation of a Loss Branch.....	471
9.2	The Operation of Section 367	479
9.3	Review Questions—Chapter 9	483
CHAPTER 10. Foreign Currency.....		485
10.1	Introduction	485
10.2	Origin and Overview of the Regime—.....	486
10.3	Qualified Business Units, Functional Currency and the Calculation of Income and Loss	488
10.4	Section 988 Foreign Currency Transactions	491
10.5	Return to Original Hypotheticals.....	496
10.6	Review Questions—Chapter 10.....	497
CHAPTER 11. The Role of Treaties.....		498
11.1	The U.S. Model	498
11.2	The Relationship Between Treaties and the Code.....	526
11.3	Judicial Interpretation of Treaties	537
11.4	International Tax as International Law	554
11.5	Review Questions: Chapter 11.....	568
CHAPTER 12. The Future of the International Tax Regime		569
12.1	The U.S. and the International Tax Regime	569
12.2	The Tax Competition Problem	586
12.3	The Tax Arbitrage Problem	601
INDEX		613