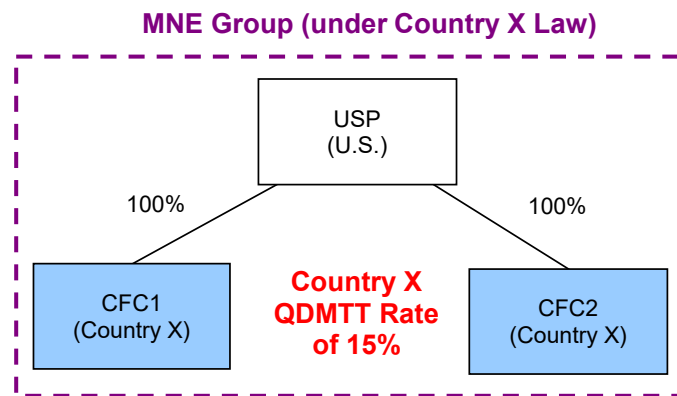


**Notice 2023-80 §2.04(5)(a),
Example 1**

**QDMTT Imposed On
Two Persons**

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Country X has enacted a QDMTT. Under Country X tax law, entities that are resident in, or have a taxable presence in, Country X and that are members of the same MNE Group, are jointly and severally liable for the QDMTT. USP is a United States person that owns all of the stock of each of CFC1 and CFC2, each of which is a CFC that is a tax resident of Country X. CFC1 and CFC2 are members of the same MNE Group under Country X tax law. In Year 1, CFC1's Separate QDMTT Income is 100u (units of Country X currency) and CFC1's Separate Pre-QDMTT Taxes is 5u. In the same year, CFC2's Separate QDMTT Income is 50u, and CFC2's Separate Pre-QDMTT Taxes is 5u. The QDMTT Rate in Country X is 15%. Country X imposes 12.5u of QDMTT with respect to CFC1 and CFC2 collectively.



CFC1		CFC2	
QDMTT income	100	QDMTT income	50
Pre-QDMTT tax	5	Pre-QDMTT tax	5
Pre-QDMTT ETR	5%	Pre-QDMTT ETR	10%
QDMTT Allocation Key	10	QDMTT Allocation Key	2.5
	[(15% - 5%) X 100]		[(15% - 10%) X 50]

Country X QDMTT imposed on CFC1 & CFC2 collectively was 12.5

QDMTT Alloc'd to CFC1	10	QDMTT Alloc'd to CFC2	2.5
	[12.5 X (10/12.5)]		[12.5 X (2.5/12.5)]

Under Country X tax law, the amount of the QDMTT is computed by reference to the income of both CFC1 and CFC2. Under section 2.04(2) through (4) of this notice, the 12.5u of the Country X QDMTT is allocated between CFC1 and CFC2 in proportion to each person's QDMTT Allocation Key. CFC1's QDMTT Allocation Key is 10u ((15% - (5u / 100u)) x 100u), and CFC2's QDMTT Allocation Key is 2.5u ((15% - (5u / 50u)) x 50u). Accordingly, 10u of the Country X QDMTT (12.5u x (10u / 12.5u)) is allocated to CFC1, and 2.5u of the Country X QDMTT (12.5u x (2.5u / 12.5u)) is allocated to CFC2.