
SELECTED US TAX DEVELOPMENTS

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US TRANSFER-PRICING RULES FOR SERVICES APPLY IN 2007

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This article describes new temporary and proposed US Treasury Department transfer-pricing regulations governing the pricing of services transactions between controlled companies. The new regulations replace proposed services transaction regulations that were issued in 2003 and provide for six specified pricing methods. Notably, in response to criticism, the new regulations expand instances where companies may charge at cost for services, effective for taxable years beginning after December 31, 2006.

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