



JOINT COMMITTEE ON TAXATION

July 3, 2014

JCX-67R-14

## ERRATA FOR JCX-67-14

### “Explanation of Proposed Protocol to the Income Tax Treaty Between the United States and Spain”

#### ISSUES

##### A. U.S. Model Treaty as a Reflection of U.S. Tax Policy

Each reference to “the U.S-Spain treaty,” in both text and footnote on page 63, and to the “U.S.-Spanish treaty” at page 63, in footnote 53, should instead refer to the “U.S.-German treaty.”

The discussion under “**Absence of Precedential Value**” at pages 64 and 65 should read as follows:

Under the proposed protocol, the arbitration panel must limit its determination to stating an amount of income, expense, or tax reportable to the competent authorities. In addition, under the proposed protocol, like the treaties with France, Belgium, Canada and Germany, the determination will not state a rationale and is accorded no precedential value. The Committee may wish to inquire whether the lack of a stated rationale for the determination of an arbitration panel is consistent with appropriate standards of transparency and accountability of tax administration. To the extent that the persons qualified to be appointed to arbitration panels serve on multiple cases or are involved in the handling of cases on behalf of clients who present cases to the competent authorities, a body of private law may develop that provides a competitive edge for certain taxpayers and their representatives familiar with previous cases while posing a barrier for other representatives to develop the necessary expertise. Such competitive disparities could result without any inappropriate behavior by any of the concerned persons, representatives or arbiters.