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# Canadian and U.S. Tax Laws: A Review of 2018 and a Look Ahead to 2019

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In our annual Tax Review and Outlook report, we look back at significant developments in the Canadian and U.S. tax landscapes in 2018 and offer our predictions on what to expect in 2019.

## Key Canadian Developments in 2018

- Budget 2018 scaled back controversial initiative on taxation of passive investment income with modest proposals regarding access to the small business deduction.
- Department of Finance announced a series of tax measures in response to U.S. tax reform legislation.
- Significant developments unfolded in the taxation of e-commerce businesses and transactions.
- Important decisions were rendered on treaty shopping, transfer pricing and hedging transactions.

## Key U.S. Developments in 2018

- IRS issued proposed and final regulations providing guidance on numerous new provisions in the *Tax Cuts and Jobs Act*.
- IRS issued proposed and final regulations on new rules for tax audits of partnerships.
- U.S. Supreme Court opened the door to allowing states to tax online retailers without a physical presence in the taxing state.

For an in-depth review of these and other issues, read our analysis.

[Canadian Tax Review and Outlook](#)

[U.S. Tax Review and Outlook](#)

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