

Taxation

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CONTACTS

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OVERVIEW

Our tax attorneys provide legal services to a broad array of public and private business clients including individuals, closely held businesses, Fortune 500 companies, private equity funds and subsidiaries of foreign multinationals. We seamlessly integrate with subject matter professionals across the firm, providing comprehensive legal solutions that include legal solutions that include tax planning components. As today's business environment is international in scope and with increased regulatory complexity, we help clients navigate these challenges to arrive at appropriate solutions. We represent clients of all types from individuals and pass-through entities, domestic corporations, to nonprofit tax-exempt organizations, and foreign corporations.

Our innovative tax planning approaches facilitate deal closing rather than generating roadblocks. We structure around exposures identified by due diligence, negotiate and draft appropriate contractual protections and work to mitigate these exposures during the post-transaction implementation phase of each engagement. Our value-centric approach to business tax planning provides exceptionally cost-effective results. Anticipating our client's business growth, we devise strategic plans uniquely tailored to lower worldwide effective tax rates, enhancing competitive advantage.

One of our attorneys is certified as a Taxation Specialist by the State Bar of California Board of Legal Specialization, bringing a recognized level of expertise to our tax practice. This certification enhances our

ability to offer sophisticated tax strategies, particularly in complex and high-stakes matters. All of our attorneys hold advanced degrees, some at certified public accountants, and others have years of experience teaching taxation at the graduate level. All attorneys within the Tax Practice group work collaboratively with each other to achieve the best result available to the client.

We have extensive experience with income, property and excise taxation including taxation associated with:

- Purchase and sale of assets or businesses
- Purchase and sale of equity
- Taxable and tax-free mergers, acquisitions and divestitures
- Spin-offs, split-ups and split-offs
- Business severance and leveraged buy-outs
- Public offerings of securities and private placements
- Corporate inversions and international structuring
- Debt and equity recapitalizations
- Bankruptcy reorganizations
- Private equity, joint ventures and strategic alliances
- Transactions involving tax-exempt organizations including exempt organization restructuring, mergers, changes of status, and merge-out transactions

TRANSACTIONAL CONSIDERATIONS

Sellers and buyers often have differing transactional requirements. To maximize the sales price, sellers may engage counsel to perform reverse due diligence to identify exposures during the divestiture phase of their transaction cycle. Once identified, these exposures can often be mitigated, or even eliminated, by proactive tax planning before they are ever discovered by a buyer who will wield them to demand a purchase price reduction or escrow of proceeds during the remaining statute of limitations. In contrast, buyers often look to perform due diligence to identify exposures that can be used to assert price reductions, alternate deal structures, contractual indemnifications, escrow arrangements and the use of contingent consideration to protect their transaction value. Whether buying or selling, counsel should be engaged early in the transaction to analyze and maximize the after-tax transaction value.

TAX CONTROVERSY RESOLUTION

We represent clients in securing favorable resolutions to federal, state and local tax controversies, offering clients the benefit of the attorney-client and work-product privileges. Our tax attorneys draw upon years of

experience in all order of tax controversies as well as the expertise of firm colleagues in numerous practice areas of law, including intellectual property, employment, business transactions, real estate, health care, and ERISA, and seamlessly integrate this expertise into each engagement. Our litigation experience helps to inform proactive tax planning and allows us to constantly refine the quality and nature of our legal advice. Whether in examinations, appeals, or in the courtroom, we couple substantive knowledge with practical experience to achieve the best result. Tax litigation may also provide opportunities to refine a client's organizational or transactional structures, reducing future exposure.

The tax attorneys work closely with the firm's Litigation attorneys. As a result, we are able to handle tax matters in all 50 states and their respective federal courts, in the United States Tax Court and the United States Court of Federal Claims.

STATE & LOCAL TAXATION

State and local taxation is principally comprised of income, estate, real property and excise taxes. Income taxes often use federal taxable income as a starting point and then subject that income to various additions, subtractions and modifications that may result in unintended consequences that could have been avoided with proper planning. Property tax planning for real and personal property is an important consideration in any business transaction. Document recording and stamp taxes frequently exempt certain specific transactions from such taxes. Therefore, the form of a transaction may be an important structuring consideration.

Careful attention to particular details in transaction structures can significantly lower state and local effective tax rates. Transaction-based taxes, such as sales and use taxes and property taxes, may even be avoided by proper transaction structuring. These taxes can vary significantly between state and local jurisdictions. As a result, proactive state and local tax planning can allow business expansion at lower effective tax rates by expanding into lower tax jurisdictions while avoiding higher tax jurisdictions. The specific jurisdictional expansion path for each client will often vary considerably because each state or local jurisdiction may tax different organizations, industries or transactions in different ways. In addition, multistate expansion planning should always consider tax credits and incentives as an important ingredient in an optimal recipe for success.