

Steptoe & Johnson LLP

China Central Place, 29th Floor,
Tower 2

79 Jianguo Road, Chaoyang
District
Beijing, 100025

Tel: +86 10 5834 1000
Fax: +86 10 5969 6099

Avenue Louise 489
3rd Floor
B-1050 Brussels
Belgium
Tel: +32 2 626 0500
Fax: +32 2 626 0510

115 South LaSalle Street
Suite 3100
Chicago, IL 60603
Tel: 312.577.1300
Fax: 312.577.1370

2121 Avenue of the Stars
Suite 2800
Los Angeles, CA 90067
Tel: 310.734.3200
Fax: 310.734.3300

633 West Fifth Street
Suite 700
Los Angeles, CA 90071
Tel: 213.439.9400
Fax: 213.439.9599

1114 Avenue of the Americas
New York, NY 10036
Tel: 212.506.3900
Fax: 212.506.3950

201 E. Washington Street
Suite 1600
Phoenix, AZ 85004
Tel: 602.257.5200
Fax: 602.257.5299

1330 Connecticut Avenue, NW
Washington, DC 20036
Tel: 202.429.3000
Fax: 202.429.3902

Steptoe & Johnson

99 Gresham Street
London, EC2V 7NG
England
Tel: +44 20 7367 8000
Fax: +44 20 7367 8001

Corporate Tax Transactions

Domestic and foreign clients retain Steptoe & Johnson LLP to represent their interests in all aspects of domestic tax and business planning. We represent numerous types of entities, including publicly traded corporations, closely held corporations, S corporations, partnerships, limited liability companies, and tax-exempt entities. Our tax lawyers also frequently obtain private letter rulings from the Internal Revenue Service or issue opinion letters with respect to transactions.

We regularly assist our clients with planning and negotiating taxable and tax-free acquisitions, restructurings, dispositions, LBOs, spin-offs, and joint venture arrangements. In addition, we advise affiliated groups with respect to consolidated return issues, often negotiating and drafting tax-sharing agreements in the context of acquisition transactions. We address many other corporate tax issues that are collateral to our transactional tax planning, as well, such as debt restructuring, tax accounting, and capital recovery issues. Steptoe lawyers advise numerous types of clients engaged in business and investment ventures through partnerships, limited liability companies, and S corporations. Our clients include corporations using partnerships, limited liability companies in corporate restructurings, cross-border investors, tax-exempt organizations, and high-net-worth individuals. We regularly advise clients on the use of entities disregarded for tax purposes to minimize cross-border taxation, isolate liabilities, and effects of the transfer of wealth across generations.

Lobbying and other tax policy matters are a significant part the services that our lawyers provide, such as advocating our clients' positions before the IRS, the Treasury Department, or the US Congress. Steptoe tax lawyers have significant experience organizing and managing coalitions of taxpayers to advocate a particular position.

Representative Matters Large Transactions

- Advised a large foreign-based multinational consumer products group on a multibillion-dollar tax-free split-off transaction and internal restructuring.
- Advised a large US-based group on a tax-free internal restructuring and disposition of its oil business, and obtained a closing agreement with the IRS as to the tax consequences of the transaction.
- Advised a multinational specialty chemical and fuel additives manufacturer on a tax-free internal restructuring and spin-off, and obtained a private letter ruling with the IRS as to the tax consequences of the transaction.

Corporate Tax Transactions

- Advised a large US-based multinational oil and gas company on a tax-free split-off transaction and internal restructuring.

Planning & Structuring

- Advised on the conversion of the parent of a large, closely held consolidated group to S corporation status and on the application of various consolidated return and corporate tax rules.
- Assisted a large, closely held consolidated group in restructuring debt of affiliated partnerships.
- Advised a nationwide retailer on the disposition of its toy division in a taxable transaction.
- Advised a large non-US advertising company on a multibillion-dollar repurchase agreement (repo) financing transaction.
- Advised a closely held investment company in connection with the recapitalization of subsidiaries.
- Evaluated prior tax positions and possible internal restructuring for a foreign luxury goods manufacturer, distributor, and retailer.
- Advised an insurance company regarding the distribution of cash in connection with the disposition of a subsidiary.
- Drafted partnership agreements for various types of businesses, including investment advisory, real estate, electric utility, defense contracting, and entertainment businesses.
- Represented a large, closely held investment company with respect to several S corporation issues, including conversion from C corporation status to S corporation status and the application of certain corporate-level taxes after the conversion.
- Represented a large multinational media company in connection with the restructuring of one of its business units abroad, which included issues related to the sharing of partnership liabilities and allocations of tax items under section 704(b) and section 704(c).
- Advised a large multinational natural resources company in connection with a partnership redemption transaction coupled with a subsequent tax-free reorganization, which included issues related to the “hot asset” rules for partnership distributions and disguised sales of property.

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- Advised a large multinational scientific equipment and services provider in connection with a proposed disposition of a business unit and the departure of an investor in another business unit, which included several “mixing-bowl” issues and section 731(c) marketable securities issues.
- Advised a high-net-worth individual with respect to the use of certain trusts as shareholders of an S corporation.

Investment Fund & Private Equity

- Developed an advantageous structure for a foreign pension fund’s sponsorship and capitalization of US real estate-related investment funds.
- Represented a large, closely held foreign investment fund with respect to complex restructuring of US partnership investments.
- Represented a high-net-worth family on all aspects of its substantial foreign business and investment holdings.

Tax Policy & Government Advocacy

- Represented a large consumer products company before Congress and the Treasury Department in connection with proposed legislation to amend the section 355 spin-off provisions.
- Represented a multinational scientific equipment and services provider before Congress and the Treasury Department to obtain amendments to the section 355 spin-off provisions and related regulations.
- Assisted a large telecommunications company to obtain an advance ruling from the IRS regarding the application of the section 355 spin-off provisions.
- Organized a coalition of companies to obtain a global settlement from the IRS on the so-called “contingent liability tax shelter.”
- Organized a coalition of companies to lobby Congress for corporate capital gains tax relief.
- Represented clients before the Congress and the Treasury Department regarding the application of the tax-exempt use loss rules to pass-through entities.

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- Represented a large closely held investment company before the Treasury Department regarding the application of the AMT to shareholders in S corporations.
- Represented clients before the Congress and the Treasury Department in an effort to reduce or eliminate the double tax on certain S corporation income.

Controversy

- Represented a large multinational media company before the IRS Appeals Office in connection with a proposed adjustment involving a significant consolidated returns intercompany transaction.
- Represented a large natural resources company in litigation with the Department of Justice in connection with the formation of an environmental remediation subsidiary and the contribution of contingent environmental liabilities to the subsidiary; obtained a settlement prior to trial.
- Represented a large railroad company on audit and before the IRS Appeals Office in connection with a proposed adjustment involving several like-kind exchanges and involuntary conversions.
- Represented a large natural resources company in litigation with the Department of Justice in a dispute over the use of the long-term contract method of accounting.
- Assisted a large multinational media company to resolve on audit a potential billion-dollar tax liability relating to a spin-off transaction.
- Advised a high-net-worth individual in connection with an IRS audit regarding several structured transactions utilizing partnerships and S corporations.
- Advised a multinational chemicals company before the Appeals Office of the IRS regarding its partnership investments in low-income housing.

Obtained a pre-filing agreement regarding the valuation of a large closely held investment company's assets for purposes of applying the "built-in gains" tax applicable to S corporations..

Corporate Tax Transactions

Noteworthy

- Ranked, *Chambers Global 2011*
- Ranked, *Chambers USA 2011, America's Leading Business Lawyers* (Nationwide)
- Recommended by *Legal 500 US 2011*