Steptoe

TAX, TRANSACTIONS, & PRIVATE CLIENT - TAX

Transactional Tax

Domestic and foreign clients retain Steptoe 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.

We regularly assist our clients with planning and negotiating taxable and tax-free acquisitions, restructurings, dispositions, LBOs, spin-offs, and joint venture arrangements. In connection with contemplated and completed transactions we have obtained private letter rulings from the IRS and issued opinion letters. In addition, we advise affiliated groups with respect to consolidated return issues arising from dispositions, acquisitions, and internal restructurings. We often negotiate and draft tax-sharing agreements in the context of these affiliated group transactions.

Steptoe lawyers also provide tax legislative and administrative advocacy services for a diverse range of domestic and international businesses, helping clients effectively resolve tax policy issues before Congress, the Treasury Department, the IRS, and foreign tax authorities. Our clients span all industries, including finance and investment, manufacturing, insurance, energy, consumer products, luxury goods, telecommunications and high-technology, media and entertainment, as well as tax-exempt organizations including charities, trade associations, and pension plans. Our tax policy team consists of both tax lawyers and government affairs professionals, thus bringing together the highest levels of technical tax knowledge with top-tier advocacy skills and an extensive network of relationships to advance our clients’ positions.

Noteworthy

- Chambers USA, Tax: Corporate & Finance, Nationwide (2009-2020)
- Chambers USA, Tax: Controversy, Nationwide (2008-2020)
- Chambers USA, Employee Benefits & Executive Compensation, Nationwide (2010-2020)
- Chambers USA, Tax, DC (2006-2020)
- Chambers USA, Employee Benefits & Executive Compensation, DC (2008-2020)
- Practical Law Company, Tax, DC (2011)
Partnerships/LLCs/S Corporations

Steptoe provides advice with respect to all issues that arise during the life-cycle of business and investment ventures in partnership, LLC, and S corporation form. Our lawyers craft operating agreements to fit the specific needs of diverse participants, such as cross-border investors, tax-exempt organizations, and high-net-worth individuals.

We advise clients on the use of partnerships, LLCs, and S corporations in the context of corporate restructurings in order to provide new capital to an ongoing venture or to avoid undesirable consolidations or multiple levels of tax. In addition, we regularly advise clients on the use of entities disregarded for tax purposes to minimize cross-border taxation, isolate liabilities, and plan for the effects of the transfer of wealth across generations.

Pass-through matters often span several fields of tax law, and accordingly, our clients’ pass-through matters often draw upon the acumen of our experienced team of corporate and international tax lawyers. The breadth of our tax practice provides the firm with the ability to address a diverse array of pass-through issues in an efficient and effective manner.
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.
- 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.
- 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.
- 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.
News & Publications

MEDIA MENTIONS
Law360 Cites Eric Solomon on Federal Tax Regulations to Watch in 2021
January 5, 2021

PRESS RELEASES
Amanda Varma Elected DC President of Coalition of Women’s Initiatives in Law
December 30, 2020

PRESS RELEASES
Steptoe Bolsters International Tax Group with Noted Transfer Pricing Lawyer Matt Frank
December 14, 2020

MEDIA MENTIONS
Law360 Quotes Eric Solomon on Microcaptive Reporting Case
December 1, 2020

PUBLICATIONS
Legal Defense Fund Donations Should Get Gift Tax Treatment
Law360
November 19, 2020
By: Robert Rizzi

MEDIA MENTIONS
CoinDesk Quotes Lisa Zarlenga on PayPal’s Crypto Offering
October 27, 2020

MEDIA MENTIONS
Coalition of Women’s Initiatives in Law Features Amanda Varma in Member Spotlight
July 31, 2020

MEDIA MENTIONS
Bloomberg Tax Quotes Lisa Zarlenga on Coronavirus Effect on Tax Professionals
March 3, 2020

PRESS RELEASES
Amanda Varma Named a Leadership Council on Legal Diversity Fellow
February 25, 2020

MEDIA MENTIONS
Federal News Network Interviews Eric Solomon on Intricacies of Tax Law, Policy
November 7, 2019
Daily Tax Update

IRS Issues Interim Guidance on Section 4960
December 31, 2018

IRS Issues Final Regulations for Public Approval of Tax-Exempt Private Activity Bonds
December 28, 2018

TIGTA Issues Two Audit Reports
December 26, 2018

Treasury Publishes IRS Lapsed Appropriations Contingency Plan
December 21, 2018

JCT Releases TCJA Blue Book
December 20, 2018

Senate and House to Vote on Continuing Resolution
December 19, 2018

New York Attorney General Announces Stipulation Dissolving Trump Foundation
December 18, 2018

New Version of Brady Tax Bill Released
December 17, 2018

IRS, Treasury Issue Guidance on Previously Taxed Earnings and Profits
December 14, 2018

IRS and Treasury Release Proposed BEAT Regulations
December 13, 2018

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Primary Contacts

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Practices