Taxation

Overview

Our Taxation Team provides comprehensive legal services across a wide range of tax-related matters, offering skillful guidance to corporations, partnerships, and individuals. Steptoe & Johnson's Taxation Team includes attorneys, certified public accountants (CPAs), and professionals, most with advanced degrees in taxation. Our attorneys have extensive experience in navigating the complexities of federal, state, and local tax laws, ensuring that our clients achieve optimal results while remaining compliant with evolving regulations.

Our attorneys represent individuals and businesses dealing with numerous types of tax structures and issues, national and international, and we have a deep bench in the following tax areas.

CORPORATE & PARTNERSHIP TAX

We advise businesses of all sizes, from startups to multinational corporations, on corporate and partnership tax matters. Our team helps structure transactions to minimize tax burdens, assists with mergers and acquisitions, and provides counsel on tax planning and compliance. We work closely with clients to address their ongoing tax needs, providing proactive solutions to reduce risks and optimize tax positions.

Our firm excels in providing sophisticated tax planning and structuring for corporations and partnerships, including those with international operations. Whether you're navigating domestic regulations or managing cross-border transactions, our team brings extensive experience to structure deals that minimize tax liabilities and comply with global tax laws.

As the U.S. representative for First Law International, a global network of independent law firms operating in nearly 90 countries, we offer our clients access to top-tier legal counsel around the world. This exclusive affiliation allows us to coordinate complex, multi-jurisdictional tax strategies and ensure that our clients benefit from seamless advice, no matter where their business takes them.

We handle sophisticated tax planning for international mergers and acquisitions, joint ventures, reorganizations, and financing arrangements, leveraging our global contacts and experience to provide solutions that align with both U.S. and foreign tax laws. From transfer pricing and tax treaty planning to cross-border structuring, we deliver cutting-edge tax solutions that enhance profitability and mitigate risk.

Our extensive experience, combined with our global network, means we are uniquely positioned to handle any size project, from localized issues to multi-country transactions, providing efficient, high-quality tax planning around the globe.

TAXPAYER REPRESENTATION BEFORE THE IRS AND STATE TAX TRIBUNALS

Our firm is well versed in representing clients in disputes with the IRS and state tax authorities. Whether you are facing an audit, an appeals process, or litigation, we advocate on your behalf to resolve tax controversies. We have successfully defended individuals and businesses in front of the IRS and state tax tribunals, helping navigate complex tax regulations and negotiate favorable outcomes.

WEALTH TRANSFER AND ESTATE TAX PLANNING

We provide strategic counsel in wealth transfer and estate tax planning, helping families preserve their wealth for future generations. Our attorneys assist in designing and implementing tax-efficient estate plans, including the use of trusts, charitable giving strategies, and lifetime gifting. We help clients minimize estate and gift taxes, while ensuring their wishes are fully honored. **Click here** to read more about our Private Client/Wealth Management capabilities.

NONPROFIT & CHARITABLE ORGANIZATION TAX

Our Taxation Team offers specialized legal counsel for nonprofit and charitable organizations, providing guidance on the complex tax issues unique to these entities. We work closely with foundations, public charities, private operating and nonoperating foundations, and other tax-exempt organizations to ensure compliance with both federal and state tax regulations.

Our team assists clients in navigating the formation and maintenance of tax-exempt status under IRS Code Section 501(c), including the preparation and submission of exemption applications. We provide strategic advice on governance issues, structuring charitable contributions, unrelated business income tax issues, and reporting requirements to ensure that organizations remain compliant and avoid potential penalties. **Click here** to read more about our Nonprofit capabilities

EMPLOYMENT TAX ISSUES

Our Taxation Team also provides guidance on employment tax matters, including payroll tax compliance; worker classification issues; Employee Retirement Income Security Act issues; employment stock ownership planning (ESOP), formation, and administration; and disputes involving the IRS and state tax agencies. We work with employers to ensure proper reporting and withholding practices, and we represent businesses in resolving employment tax disputes.

From complex tax planning to defending clients in audits and disputes, our Taxation Team is committed to providing tailored legal strategies that meet the unique needs of our clients. Let us help you navigate the intricate world of tax law with confidence.

Representative Experience

MERGER & ACQUISITION TAX COUNSEL

- Represented owners and managers in transferring a multimillion-dollar closely held business to its employees through the use of an ESOP. The majority shareholders were able to receive tax-free results on the sale, and the transaction was structured to ensure that the company did not pay federal income tax going forward
- Advised acquirers on the tax-efficient structuring of business acquisitions, including providing tax deferral opportunities for sellers
- Represented the seller in the sale of company stock to preserve qualified small-business stock treatment
- Advised deal teams and sellers in deal structuring to minimize tax impact with respect to indebtedness issues and earnouts
- Served as lead counsel in negotiating the acquisition of a home health care business for $35 million in which the transaction was structured as a stock sale with a 338(H)(10) election to provide tax treatment as an asset acquisition

TAX PLANNING

- Represented and counseled multiple families, couples, and individuals, including wealthy and ultrawealthy families, in preparing wills, revocable trusts, various kinds of irrevocable trusts, financial powers of attorney, advance health care directives, living wills, and marital agreements in order to minimize estate taxes
- Provided tax advice enabling owners of real estate valued in excess of $25 million to engage in like-kind exchanges with proximate business restructurings
- Advised unrelated co-owners of 2,500 acres of recreational real estate valued in excess of $90 million on tax, estate tax, and succession planning
- Advised a cannabis-growing operation on formation and tax-structuring issues to maximize potential tax deductions

TAX CONTROVERSY

- Represented a dentist in an income tax audit of his Schedule F farming operations, resulting in a full concession and acknowledgment by the IRS that the client materially participated in the secondary cattle-breeding operation

- Successfully defended a 501(c)(3) organization in IRS audits of its tax-exempt bonds
- Successfully represented a client throughout an estate tax examination, resulting in the IRS conceding more than half a million dollars in proposed penalties and generating an additional unclaimed refund of more than $150,000 for the client
- Successfully filed for and obtained relief of tax liabilities through offers in compromise, innocent spouse relief, injured spouse relief, and other administrative remedies with the IRS and state taxation authorities
- Served as counsel to a client on a tax penalty abatement case before the IRS
- Resolved a multiyear IRS income tax examination involving a taxpayer who received fraudulent tax advice on the sale of their business, saving the client more than $2.3 million in proposed penalties

STATE & LOCAL TAX REPRESENTATION

- Advised clients on the application of sales and use taxes to their businesses
- Represented a locally owned restaurant in front of the West Virginia Office of Tax Appeals on a petition for reassessment of sales and use tax
- Acted as tax counsel regarding many types of tax-exempt governmental bonds (university, city, and state) and tax-exempt private activity bonds (higher education, housing, solid waste, clean water, health care, and other 501(c)(3) bonds)

TAX COMPLIANCE

- Advised businesses on how to navigate tax compliance issues related to the Corporate Transparency Act (CTA)
- Advised a renewable energy producer on qualifying for various tax credits under the Inflation Reduction Act
- Advised a fund in the digital asset and cryptocurrency markets on U.S. tax issues related to investments in digital assets and cryptocurrencies
- Advised businesses on a variety of tax compliance matters, including payroll tax issues for remote workers and non-U.S. workers

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