



Taxation

Our tax attorneys apply expansive experience and knowledge to domestic and international tax and business planning, state and local taxation and unclaimed property compliance, and federal and state tax and unclaimed property controversies. Nationally recognized as a leading law firm by *Chambers USA*, we are known for combining sophisticated tax strategies with creative and responsive solutions critical to our clients' success. Our full-service infrastructure allows us to see how tax issues impact virtually all business sectors. This unique perspective allows us to represent a diverse base of publicly traded corporations, privately held companies, investment partnerships and hedge funds, wealthy individuals, entrepreneurs, and tax-exempt organizations in the United States and abroad.

Transactional Tax Planning

We analyze, structure and negotiate tax-efficient solutions for complex business transactions to maximize balance-sheet value and minimize taxation for domestic and foreign entities.

Tax Controversy

Multinational corporations, individuals, estates, partnerships and others trust us to resolve their federal tax issues, including court proceedings. We advise on extended tax audits aggregating billions in penalties and interest, tax planning and accounting practices, tax opinions, and legal and accounting malpractice.

State & Local Tax

Our multistate tax attorneys advise, represent and defend clients state and local income tax, franchise tax, gross receipts tax and sales and use tax issues, audits and assessments throughout the United States.

KEY CONTACT

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Taxation

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FOCUS AREAS

Income Tax Advice
State and Local Tax
Unclaimed Property

RELATED CLIENT SERVICES

Corporate & Securities
Employee Benefits & Executive
Compensation
Financial Restructuring
Labor & Employment
Real Estate
Taxation

Unclaimed Property

The firm's nationally recognized unclaimed property practice represents clients in complex multistate unclaimed property audits, litigation, voluntary disclosure agreements and transactional matters. We minimize exposure to unclaimed property liabilities that could negatively impact business operations and financial results.

EXPERIENCE

- The firm provides legal counsel on the federal income tax aspects of corporate divestitures and acquisitions, partnership transactions and tax planning strategies for the benefit of publicly held and large corporate clients, wealthy and entrepreneurial-minded individuals, partnerships and other business entities. For example, the firm acted as principal tax counsel in connection with (a) a leading public satellite communications company in structuring management compensation as part of the divestiture of company assets; (ii) a \$300 million dollar joint venture transaction in the waste industry; (iii) the structuring and implementing of the tax-free spin-off of a client's multi-million dollar subsidiary; (iv) the sale of a client's \$200 million hotel property portfolio in Puerto Rico; and (v) a private investment partnership, including tax planning with respect to a sale expected to generate approximately \$250 million of taxable gain, and tax advice regarding related complex tax allocation issues.
- The firm has represented various Fortune 500 companies in structuring tax-free reorganizations, spin-off transactions, partnerships and LLC joint venture agreements and cross border transactions. For example, the firm acted: as principal tax counsel in connection with (i) a Fortune 500 packing company in tax structuring settlement of claims against investment banking firm arising out of delayed public offering of debt securities; (ii) a Fortune 500 company with respect to multiple waste-to energy joint venture transactions; (iii) a Fortune 500 company in a \$150 million dollar joint venture involving new gasification technology; (iv) a Fortune 500 national security/contractor company in connection with post spin-off tax planning; and (v) a Fortune 500 company with respect to the tax structuring of an SEC settlement arising out of alleged securities violations by company executives.
- The firm has developed national expertise in the emerging field of unclaimed property laws, and represents numerous clients in a wide array of industries with complex multistate unclaimed property audits, litigation, voluntary disclosure agreements and transactional matters. For example, the firm is serving as principal unclaimed property counsel in connection with (i) an administrative investigation that a state Attorney General's office is conducting related to supplier shipments of parts and materials, and customer advance payments for purchase transactions that were terminated during the production phase; (ii) a 40-state examination of "rebate slippage" liabilities that arose when consumers failed to cash checks that a client had issued on behalf of its client companies that sponsored rebate programs; (iii) an unclaimed property audit of an interstate transportation services company that raised significant federal preemption issues; and (iv) novel unclaimed property and federal income tax issues presented in structuring several clients' gift card programs.

- The firm represents large publicly traded and privately held businesses in state tax controversies, transactional matters and planning involving multistate corporate/franchise taxes, gross receipts taxes, sales and use taxes and other business privilege taxes. For example: the firm served as principal state tax counsel in connection with (i) a Fortune 500 company's sale of a commodity trading subsidiary, which involved the drafting and submission of fifteen private letter ruling requests and voluntary disclosure agreements; (ii) a Fortune 500 company in two state income tax cases involving the state's addback of intercompany royalty expense deductions on the relevant state income tax returns; and (iii) an administrative appeal of a \$1.2 million assessment of state taxes, penalties and interest in connection with a client's purchases of steam, electricity and other energy from a captive utility company for use in the client's paper mill.
- The firm represents both corporate and individual clients, including large multinational public and privately held corporations, subject to the Large and Mid-Size Business ("LMSB") coordinated examination and industry specialization programs of the IRS. Most recently, the firm represented a multibillion dollar privately held set of related businesses in an examination that lasted nearly three years, and resulted in fewer than ten unagreed issues that will be briefed and forwarded to the IRS Appeals Division for consideration. It is estimated that the firm has resolved several hundred complex issues, by trial or negotiated settlement, involving an array of complex factual and legal issues, and asserted tax deficiencies, statutory interest and penalties in excess of \$5 billion.
- The firm acted as principal tax controversy counsel in a case involving hundreds of related taxpayers and achieved a complete settlement of all issues relating to deductibility of several hundred million dollars in payments made to a governmental agency relating to the failure of a banking institution. Despite the government's initial demand for a full concession by all taxpayers involved, the settlement assured that all payments will be fully deductible (in the case of the corporate taxpayers) or allowable as capital losses (in the case of non-corporate taxpayers). The continuing impact of the final settlement extends over a fifteen year period.
- The firm acted as principal tax controversy counsel in the case of a professional trade organization (the largest of its kind in the United States) and successfully defended against the government's attempt to reclassify its national network of thousands of independent contractor instructors as employees for federal employment tax purposes. Through development of extensive evidence that the organization's treatment of its instructors was consistent with longstanding industry practice and supported by the advice of outside professional advisors, the firm was able to establish the organization's eligibility for statutory safe harbor relief from the attempted worker reclassification, which preserved status and eliminated millions of dollars in additional employment tax exposure to the organization and its in excess of 100 chapters nationwide.
- The firm represented leading national boxing promoter in connection with federal tax controversy matters relating to a professional boxer and his company.



- The firm is acting as lead counsel in a lawsuit by a Fortune 500 company challenging a state Department of Revenue's assessment under the state's tax amnesty act of more than \$2 million of double interest on additional state income taxes that this client ended up owing for certain tax years as a result of "federal change" adjustments by the IRS to the client's federal returns for those tax years. The client contends that the double interest provision does not apply to its "federal change" adjustments because they had not yet been determined when the amnesty filing period ended. The relevant state courts have not yet addressed this question, and the client's case should impact a significant number of other taxpayers with federal change adjustments several states are attempting to subject to their tax amnesty penalties.