StradleyRonon

Tax

Faced with complex tax regulations, ever-changing tax laws and stiff penalties for payment errors, businesses need highly knowledgeable tax counsel to assist them with regulatory compliance, tax planning and transactional tax matters. Our national tax practice provides advice on a range of corporate and partnership tax issues, with a special focus on federal and state tax issues relating to middle-market companies, domestic and offshore commingled investment vehicles, and their advisers.

Our Approach

Well-informed and highly regarded, our tax practice devises sophisticated and creative cost-effective strategies to maximize tax efficiencies and limit clients' tax exposure when engaging in transactions and business investments. We regularly undertake tax planning for C corporations, S corporations, partnerships, business trusts, limited liability companies, individuals, estates and trusts, tax-exempt organizations, and regulated businesses such as mutual funds and banks.

We also regularly assist our corporate, litigation and investment management teams, evaluating tax risks and liabilities and offering counsel on tax-related issues throughout all phases of our clients' business life cycle. Our tax lawyers also advise on the Employee Retirement Income Security Act (ERISA), qualified and nonqualified compensation arrangements and issuance of partnership profits interests, among other matters impacting our clients and their businesses.

Our Services

Our tax practitioners deftly guide clients through the complex challenges they face and stay abreast of emerging federal and state tax developments. From planning a new business, structuring financing arrangements and investments through payments of dividends and redemptions, M&A transactions, and restructurings of large and small businesses, we work collaboratively with lawyers across the firm, strategizing to arrive at tax solutions that help our clients achieve their goals.

Investment Management Tax

Collaborating with our nationally recognized investment management practice, our investment management tax team offers guidance on the taxation and operation of regulated investment companies (RICs) and their foreign wholly-owned derivatives-trading subsidiaries (controlled foreign corporations or CFCs). We also advise on all types of exchange-traded funds (ETFs), private investment funds, real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), fixed investment trusts, collective trust funds, Section 529 plans and various charitable collective funds, among other pooled vehicles. We assist in the formation of funds, issue tax opinions in connection with fund mergers and reorganizations, and advise on the taxation of financial instruments and derivatives held by such entities.

Corporate Tax

Our lawyers are fully immersed in the life cycle of companies of all sizes, from formation — whether as a corporation, an S corporation or, increasingly, a limited liability company or other pass-through entity — to mergers and acquisitions, bankruptcy, reorganizations, sales and liquidations. In addition, we handle succession planning for the shifting of ownership of a business upon the retirement or death of a major shareholder or the acquisition of stock by key executives.

ERISA & Employee Benefits

Our ERISA and employee benefits lawyers structure all types of employee benefits, including qualified defined benefit and defined contribution plans; employee stock ownership plans (ESOPs); and 401(k) and 403(b) tax-sheltered annuity and cafeteria plans. We also design incentive and nonqualified stock option plans, employee stock purchase plans (ESPPs), phantom stock plans, deferred compensation plans (with or without “rabbi” trusts), and various fringe benefit plans.

Tax-Exempt Organizations

Complying with the law, maintaining tax-exempt status and overcoming the difficulties of operating as a tax-exempt entity require counsel who know the ins and outs of the tax code. We understand the unique legal and business challenges tax-exempt organizations face: Our lawyers represent tax-exempt organizations and those involved in tax-exempt financings regarding the many and varied legal issues that arise throughout their life cycle. From transactional issues to governance and structure matters, from tax issues to joint venture concerns, we address our clients’ needs and apply our vast knowledge to represent clients effectively and efficiently.

Among our many clients are those that qualify as tax-exempt charitable entities under Internal Revenue Code Section 501(c)(3); title holding companies; social welfare organizations; religious organizations, including churches and religious orders, colleges and universities, hospitals and healthcare systems, donor-advised funds and supporting organizations; political organizations; trade associations; and other nonprofits. Additionally, we represent private foundations and advise them on the self-dealing rules, excess business holdings, taxable expenditures and prohibited grants. We have also formed many nonprofit organizations, including corporations, charitable trusts and limited liability companies. We assist with structuring issues, day-to-day management, transactions, and the host of operational and compliance issues they encounter.

International Tax

Offering sophisticated insight on international tax issues — including cross-border mergers and acquisitions and joint ventures, structuring investment funds, and portfolio investments — we represent clients ranging from global corporations to individuals seeking counsel on investment vehicles that include private equity funds, hedge funds and REITs.

State and Local Tax

State and local governments have stepped up their tax enforcement efforts, conducting audits and investigations, and pursing tax recoveries through litigation. With a deep understanding of these challenges, we provide comprehensive counsel on substantive tax issues and compliance matters, as well as provide tax advice in the context of transactions, advocate regarding tax policy, and resolve enforcement actions and tax controversies in and out of court. Our tax lawyers regularly provide guidance to individuals, corporations, partnerships, trusts, estates, public and private foundations, and charities on federal, state and local tax matters, assuring that our clients meet their tax obligations while limiting their liability exposure.

Well-versed in income, estate, property, and sales and use taxes, our tax lawyers offer guidance to business clients throughout their lifecycle, from planning and structuring through operations and exit strategies. We advise on the state and local tax implications of mergers, acquisitions, spinoffs, business restructurings and sales as well as investments. We are also skilled at analyzing multistate tax issues, including state and local tax nexus and apportionment issues.

Tax Credits and Incentives

Although many tax credits are available to businesses and their benefits are significant, each has its own standards and stringent requirements. Qualifying for tax credits requires a deep understanding of the regulations and careful strategizing to assure and maintain eligibility.

Our tax practice advises developers, investors and lenders on the various available federal and state tax credits and incentives programs. We navigate clients through the qualification requirements and the regulatory intricacies, helping them overcome hurdles, maximize opportunities and comply with the complex array of tax laws and regulations.

Our lawyers provide guidance regarding all facets of tax credits and tax incentives, advising on transaction structuring; financing; due diligence; real estate acquisition and development; and general tax planning, documentation and compliance issues. Working collaboratively with accountants, we offer counsel on tax implications and assure appropriate treatment of tax benefits. We have advised clients regarding the many federal and state tax credits and incentives available, including Keystone Opportunity Zones (KOZs).

Tax Controversy

On behalf of high-net-worth individuals, U.S. and global companies, and tax-exempt organizations, our lawyers have experience dealing with all levels of the Internal Revenue Service, from the private letter ruling process at the IRS national office in Washington, D.C., through the audit and appeals office processes at the local and regional levels. Our lawyers represent taxpayers before the various federal courts having jurisdiction over such tax matters. We also assist clients with multi-state tax planning and problem resolution before state and local administrative appeal boards.

Representative Matters

- Advised Oak Hill Wealth Advisors, a Lansdowne, Virginia-based wealth management firm, in its merger with Cerity Partners, a full-service wealth management firm in the United States.
- Represented TradePMR, a custodial and portfolio management platform for registered investment advisers, in an approximately $300 million acquisition by Robinhood Markets Inc.
- Represented Franklin Templeton in launching the Franklin Ethereum ETF, one of the industry's first spot ether exchange-traded products (ETPs). The Franklin Ethereum ETF issues shares backed by ether held by the fund's custodian and is registered under the Securities Act of 1933.
- Assisted CenterSquare Investment Management, a global real estate investment manager, with an equity investment in Aligned Data Centers, one of the largest and fastest-growing private data center developers in the Americas.
- Represented Chatham Financial, a global leader in financial risk management advisory and technology, in its acquisition of EA Markets.
- Advised Pacific Life in the sale of its third-party credit asset management firm, Pacific Asset Management LLC — which at closing managed over $20 billion — to Aristotle Capital Management LLC.
- Advised several family offices regarding maximizing the tax efficiency of family investment funds.
- Advised several funds with regard to the specific tax needs of their investors including tax-exempt organizations, university endowment funds, private retirement plans, state retirement plans and sovereign wealth funds.
- Handled competent authority matters pursuant to tax treaties the United States has with other countries.
- Advised on several complex tax-free 1031 exchanges, involving multiple owners with different intentions and multiple properties.
- Advised on the acquisition and disposition of several luxury hospitality properties both within and outside the United States.