

SHEEHAN PHINNEY

Taxation

The practices of Sheehan Phinney attorneys in the Tax Group encompass nearly all aspects of federal, international, state and local tax planning and consulting, representation in administrative tax controversies and legislative tax matters, and tax litigation in federal and state courts. While some members' practices are devoted exclusively to tax matters, other attorneys practice in related areas but have experience with tax matters that arise frequently within their practice area. The Tax Group represents a broad range of clients, including publicly-traded corporations, closely-held business enterprises, domestic and international taxpayers, individuals, trusts, estates and non-profit organizations.

- Entity Formation. Guiding clients through the tax implications of business entity choices.
- Transaction Tax Services. Advising clients on a broad range of federal and state tax planning issues and in structuring tax-sensitive domestic and international business transactions.
- Employment Tax Services. Representing both employers and employees in connection with executive compensation and related matters.
- Real Estate. Assisting clients with the tax aspects of real estate acquisitions, dispositions and exchanges.
- Tax Controversy Representation. Assisting clients in connection with disputes with taxing authorities.
- Specialized Tax Services

Including like-kind exchanges; the federal Offshore Voluntary Disclosure Program; healthcare practice tax planning and New Hampshire Investment Trusts

- Trust and Estate Taxation
- Qualified Plans. Counseling clients with respect to various aspects of qualified employee benefit plans
- Tax-exempt Organizations. Assisting clients in obtaining and maintaining federal and state tax exemption.

Employment Tax Services

In the area of executive compensation, the Tax Group represents both employers and individual executives in connection with a variety of stock-based compensation arrangements. Extensive experience with qualified plans and executive compensation has allowed members to design sophisticated non-qualified deferred compensation arrangements supplementing executive

Practice Area Chair
Peter T. Beach

Members

- Peter T. Beach
- Bradford E. Cook
- Mark W. Dell'Orfano
- Michael P. Panebianco
- Alan L. Reische

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benefits under qualified plans. We have helped companies design:

- incentive and non-qualified options;
- discounted options;
- phantom equity plans;
- equity purchase plans and equity appreciation rights;
- deferred compensation agreements; and
- golden parachute contracts.

The group has designed insurance-related compensation vehicles and “rabbi trust” arrangements that provide security for the payment of deferred compensation.

The Tax Group can also help employers determine whether a worker should properly be categorized as an employee or an independent contractor for federal and state income tax purposes.

Entity Formation

When starting a business there are many decisions that could impact both short-term and long-term tax planning. Attorneys within the group have particular expertise in tax planning for start-ups, early-stage companies, family run and closely-held business, including:

- choice of entity
- S corporations
- conversions from limited liability companies to corporations
- technology licensing, joint ventures and strategic alliances

Our tax attorneys can help guide you through the choice of entity process to determine the best type of entity to meet your short-term and long-term goals.

Real Estate Taxation

In conjunction with the firm’s Real Estate Group, our attorneys assist clients with respect to the full range of real estate acquisitions, dispositions and tax-deferred exchanges, including complex multi-party and multi-property exchanges and non-simultaneous and reverse exchanges, real estate leasing, real estate development and financing transactions and transfers of interests in real estate holding companies. We provide advice with respect to the tax implications of real estate joint ventures and syndications, pension and Individual Retirement Account investments in real estate, and rehabilitation and low-income housing credit transactions. Our tax attorneys have particular expertise in the following areas:

- Real estate transfer tax

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- REITs
- Entity planning for holding real estate investments
- Low-income housing tax credit transactions
- Section 1031 like-kind exchanges

Massachusetts property tax credit programs (EDIP credits and TIFs)

Specialized Tax Services

1. **Partnership and LLC Agreements.** The Tax Group assists clients by drafting and reviewing partnership and LLC agreements, making the complex tax aspects of these agreements understandable
2. **Like-Kind Exchanges.** The Tax Group assists buyers and sellers and qualified intermediaries with the many difficult aspects of tax law that arise in like-kind exchanges.
3. **Offshore Voluntary Disclosure Program.** The Tax Group provides advises and guides clients through all aspects of voluntarily disclosing unreported offshore accounts.
4. **Healthcare practice tax planning.** Our Tax Group practitioners are especially well-versed in tax planning and controversy matters pertaining to healthcare institutions and practitioners.
5. **New Hampshire Investment Trusts.** The Tax Group has been at the forefront of the tax aspects of New Hampshire Investment Trusts from their inception and has worked closely with representatives of the New Hampshire Department of Revenue Administration over the years to preserve and improve this tax-exempt investment vehicle.
6. **Meals and Rentals tax.** Our Tax Group practitioners are experienced in planning and controversy matters that arise under the New Hampshire Meals and Rentals tax, assisting clients to make the most of the tax's many exclusions and exemptions.

Tax Controversy Representation

The Tax Group's work for clients includes tax audit and dispute resolution proceedings regarding all types of federal taxes before the IRS, the Tax Court, the Claims Court, and other federal trial and appellate courts. (These attorneys also have considerable experience in state and local tax litigation, which is described under "State and Local Taxes.") Although the group also acts as special tax counsel for clients in audit and litigation matters, its members prefer to work closely with management in formulating an audit strategy prior to the filing of a tax return for the relevant tax year, including in the preparation and filing of IRS Forms 8275 and 8275-R, in order to avoid the imposition of the substantial understatement penalty. When retained after an

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audit has been completed, the group's approach to tax controversies is to consider all of the possible opportunities to achieve the most favorable resolution. Members have had success in negotiating favorable settlements with the Internal Revenue Service, the Massachusetts Department of Revenue and New Hampshire Department of Revenue Administration on behalf of clients and, in their experience, a negotiated settlement almost always produces a better result for clients. However, when it is not possible to negotiate a favorable settlement, the group has tried substantial cases in all of the tax forums and argued before appellate courts.