

Tax

Our lawyers combine technical knowledge and creativity in addressing our clients' tax issues. We handle a variety of sophisticated tax matters for corporations, limited liability companies, partnerships, municipalities, trusts, and individual clients.

Particular areas of experience include tax issues associated with real estate transactions, corporate acquisitions and reorganizations, financial institutions, the formation and operation of partnerships and limited liability companies, and international transactions. We place a high priority on monitoring proposed federal tax changes so our clients may respond quickly to new legislation. We counsel clients on the federal, state, and local tax issues associated with the structuring of domestic and international mergers and acquisitions, corporate reorganizations, liquidations, joint ventures, divestitures and spin-offs.

Our tax attorneys handle matters for our various real estate clients, including taxable institutional and private investors, corporate real estate users, financial institutions, foreign investors, developers, syndicators, tax-exempt organizations, and public and private pension funds.

We advise clients with respect to the tax aspects of international transactions under U.S. tax laws and tax treaties with other countries.

Our experience with employee benefits matters includes legal issues arising under the Employee Retirement Income Security Act of 1974 (ERISA), the Internal Revenue Code, federal and state securities laws, and other laws that regulate employee benefit plans and executive compensation.

Our experience also extends to state and local tax matters, including business and occupation tax (B&O Tax), sales and use tax, real estate excise tax, leasehold excise tax, property tax and other taxes. We are also well versed in the needs of tax-exempt entities.

Areas of Concentration

- Corporation Transactions
- Dispute Resolution
- Federal Taxation
- International Tax
- Partnerships, Limited Liability Companies and Other Joint Ventures
- Real Estate
- State and Local Tax
- Tax-Exempt Entities

Attorneys

Munro, Mark S. CHAIR	Seattle
Eckert, Jeremy	Seattle
Galloway, J. Scott	Seattle
Harris, Vandana (Van) P.	Seattle
League, Barbara Jane	Seattle
McClaran, Pamela	Seattle
Nave, Jeffrey C.	Spokane

Tonkin, William G. Seattle
Wells, Judee A. Seattle

Publications

2012 / 2013 Tax Planning Guide

A guide to assist you in planning for your taxes

Congress Extends Significant Tax Incentives for Conservation Easement Donations

Foster Pepper PLLC - December 2010

Congress Passes Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010

Foster Pepper PLLC - December 2010

Areas of Concentration

Corporation Transactions

Members of our Employee Benefits and Executive and Stock Based Compensation Practice Group assist in plan-related due diligence, plan mergers, spin-offs, and terminations. Our employee benefit attorneys frequently advise on pre- and post-transaction planning for transition and compliance issues relating to benefit plans and compensation programs.

Dispute Resolution

Given the complexity of the federal and state tax laws and regulations, the aggressive enforcement policies of many jurisdictions, and the significant burden to the taxpayer of questionable assessments, tax disputes occur with disconcerting regularity. We represent clients in disputes with the Internal Revenue Service, the Washington Department of Revenue, and other state and local taxing authorities throughout the audit process, at the various levels of administrative appeal, as well as in all levels of litigation.

Federal Taxation

With the rapid pace of legislative developments in the federal income tax area, the Tax Practice Group places a high priority on monitoring proposed tax changes so that our clients may respond quickly to new legislation. The lawyers in our Tax Practice Group work with lawyers from our other practice groups to develop tax-efficient planning for transactions and business operations. We also represent clients in disputes with the Internal Revenue Service at the audit level, at the appellate level, and in litigation. Our experience also includes requests for private letter rulings from the Internal Revenue Service.

Members of the Tax Practice Group are also skilled at dealing with the special concerns of tax-exempt entities under the Internal Revenue Code. These issues include participating mortgage loans, unrelated business taxable income (particularly as applicable to the acquisition of debt-financed property), prohibited transactions under ERISA, and the Department of Labor's plan asset rules defining real estate operating companies and venture capital operation companies. We are also experienced in organizing and operating REITs, have established 501(c)(25) entities for qualifying clients, and have structured REMICs for our financial institution clients.

International Tax

Our Tax Practice Group has had substantial experience in advising clients with respect to the tax aspects of international transactions under U.S. tax laws and tax treaties with other countries. This includes

advice regarding outbound transfer of assets; inbound investments into the U.S.; structuring considerations in the formation of joint ventures and the holding of other investments from the standpoint of both income tax and estate tax; considerations under the Foreign Investment in United States Real Property Tax Act and other withholding tax requirements, as modified by relevant treaties; and the tax treatment of non-resident aliens and foreign corporations (with and without permanent establishments in the U.S.) under various circumstances.

We also advise our U.S. clients about the special federal income tax rules of international transactions such as controlled foreign corporations, foreign tax credits, passive foreign investment company rules, foreign personal holding company rules, tax treaties, and transfer pricing.

Partnerships, Limited Liability Companies and Other Joint Ventures

Partnerships and limited liability companies, long known as tax efficient forms of engaging in business, are useful tools for many investors and business operators, including real estate owners, syndicators, domestic and foreign co-venturers, and small businesses, as well as large corporations crafting strategic alliances. Members of the Tax Practice Group are experienced in identifying and addressing the issues imbedded in the complex regulations specifically applicable to these entities governing capital contributions, taxable and nontaxable distributions, tax allocations, apportionment of liabilities in investors' tax basis, the award of interests to service members, dispositions of entity interests, and dissolution and terminating transactions.

Real Estate

Our tax attorneys handle matters for our various real estate clients, including taxable institutional and private investors, corporate real estate users, financial institutions, foreign investors, developers, syndicators, tax-exempt organizations, and public and private pension funds. Members of the Tax Practice Group are particularly skilled at structuring and restructuring partnership, limited liability company, and joint venture ownership vehicles, the traditional ownership entities for real estate transactions. Among the issues regularly encountered are the detailed rules governing partnership tax allocations, apportionment of partnership liabilities in partners' tax basis, passive activity losses, original issue discount and imputed interest, interest expense allocations, at-risk requirements, alternative minimum tax, and debt cancellation income.

State and Local Tax

Our attorneys work closely with attorneys located throughout the United States to assist our clients in addressing multi-state tax issues. One of the firm's members has published a desk book on the Washington State real estate excise tax.

Experience

Our experience also extends to state and local tax matters, including business and occupation tax (B&O Tax), sales and use tax, real estate excise tax, leasehold excise tax, property tax, and other taxes. Our tax attorneys regularly counsel clients to ensure that their business activities are structured to minimize state tax consequences.

Tax-Exempt Entities

The firm has substantial experience in representing tax-exempt entities. This includes providing tax advice as to how to structure investments and joint ventures in order to avoid or minimize the tax on unrelated business taxable income (UBTI). The lawyers in the Tax Practice Group also advise tax-exempt entities regarding the special rules associated with the acquisition of debt-financed property.