



Monitoring proposed state and federal tax changes and new legislation is a top priority for attorneys in our tax practice. We understand the importance in positioning clients to respond quickly to tax modifications. Clients look to us to address sophisticated tax matters for corporations, limited liability companies, partnerships, municipalities, trusts, and individuals across a variety of issues related to real estate transactions, corporate acquisitions and reorganizations, financial institutions, the formation and operation of partnerships and limited liability companies, and international transactions.

Our attorneys offer counsel to clients on federal, state, and local tax issues associated with the structuring of domestic and international mergers and acquisitions, corporate formations and restructurings, liquidations, joint ventures, divestitures, and spin-offs. We also have extensive experience in business and occupation tax (B&O Tax), sales and use tax, real estate excise tax, leasehold excise tax, and property tax, among others.

## AREAS OF FOCUS

### Corporate Transactions

Together with members of our Employee Benefits and Executive Compensation practice, we assist clients in plan-related due diligence, plan mergers, spin-offs, and terminations. We frequently advise on pre- and post-transaction planning for transition and compliance issues relating to benefit plans and compensation programs.

### Disputes

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 litigation.

### Federal Taxation

We 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. We regularly address the special concerns of tax-exempt entities under the Internal Revenue Code, including participating mortgage loans, unrelated business taxable income, 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 and have structured REMICs for our financial institution clients.

### International Tax

We have 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 United States; structuring considerations in the formation of joint

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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.

### Nonprofits & Tax-Exempt Organizations

We have extensive experience representing nonprofit and 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). Also, we advise tax-exempt entities regarding the special rules associated with the acquisition of debt-financed property.

### Partnerships and Joint Ventures

Our tax attorneys 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. Foster Pepper tax attorneys are

particularly skilled at structuring and restructuring partnership, limited liability company and joint venture ownership vehicles, the traditional ownership entities for real estate transactions.

### State and Local Tax

In addition to entity formation and structuring business and real estate transactions, we handle a broad range of state and local taxes, including income, sales, estate, employment and special excise taxes.