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Tax Talks

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Tax Talks offers insights on the constantly evolving state of tax law in the United States, the United Kingdom and around the world. We cover issues on a broad range of topics and will provide timely information about recent changes in law, as well as perspectives on longer-term trends in taxation. Topics include breaking developments regarding the Tax Cuts and Jobs Act; "inversion" transactions and the OECD's BEPS (Base Erosion and Profit Shifting) recommendations; international tax reform; cost-sharing agreements, equity-based compensation, and other regulations that affect compensation and benefits.

House of Representatives and Senate Conferees Reach Agreement on the Tax Cuts and Jobs Act (H.R. 1): Description of the Conference Agreement and Differences from House and Senate Versions

On Friday, December 15, the U.S. House of Representative and Senate conferees reached agreement on the Tax Cuts and Jobs Act (H.R. 1) (the "Final Bill"), and released legislative text, an explanation, and the Joint Committee on Taxation estimated budget effects (commonly referred to as the "score"). Next week the House and Senate are each expected to pass the bill, and it is expected to be sent to the President for signature the following week. As the conferees actually signed the conference text, changes (even of a limited and/or technical nature) are extremely unlikely at this point.

New Tax Law (H.R. 1): Key Highlights Related to Interest Bearing Debt

On Friday December 22, 2017, the President signed into law H.R.1, commonly referred to as the Tax Cuts and Jobs Act. This is the most sweeping change to the U.S. federal income tax laws in over three decades, and it will affect every US taxpayer, including participants in the capital markets. The purpose of this blog post is to focus on some of the provisions of the TCJA that will impact interest bearing debt, including leveraged loans and high-yield bond offerings.

Impact of Recent Tax Legislation on M&A Transactions

This post outlines at a high-level certain provisions under the recently enacted 2017 tax legislation that may affect M&A transactions. Some of these rules are very complex, particularly in cross-border transactions, and this post describes them in general terms without all of their fine details.

New Tax Law (H.R. 1): Key Highlights for Private Investment Funds

H.R. 1, commonly referred to as the Tax Cuts and Jobs Act, implements sweeping changes to the U.S. tax system. These changes will alter the fundamental tax principles upon which many investment and organizational decisions by the private investment industry were made. Lawyers in our Tax and Private Investment Funds groups hosted a 1-hour webinar highlighting the key provisions of the new tax law, its implications on the private investment industry, and action items for the private investment community in the coming year and beyond.

The Effects of the Tax Cuts and Jobs Act on Real Estate

On Friday December 22, 2017, President Trump signed into law H.R.1, commonly referred to as the Tax Cuts and Jobs Act (TCJA). This is the most sweeping change to the U.S. federal income tax laws in over three decades, and it will have an effect on every U.S. taxpayer, including real estate investment trusts (REITs) and taxpayers engaged in the real estate business. The purpose of this blog is to focus on some of the provisions of the TCJA that we believe will significantly impact the real estate industry.

Tax Reform's Effect on the Sports Industry

On Friday, December 22, 2017, President Trump signed into law H.R. 1, the $1.5 trillion tax reform law known as the Tax Cuts and Jobs Act (the "Tax Reform Act"). This alert describes provisions of the Tax Reform Act that we expect will have the most significant impact and immediate effect on the sports industry. Unless otherwise noted, all proposals described below will be effective for taxable years beginning after December 31, 2017.

Tax Reform Act Denies Deductions for Some Sexual Harassment Settlements

In a little-noticed provision buried deep inside the new Tax Cuts and Jobs Act (signed into law on Dec. 22) is the following "denial of deduction": "Payments related to sexual harassment and sexual abuse – No deduction shall be allowed under this chapter for (1) any settlement or payment related to sexual harassment or sexual abuse if such settlement or payment is subject to a nondisclosure agreement; or (2) attorney's fees related to such a settlement or payment."

To Accelerate or Not? Potential Tax Planning in Light of Proposed Reforms to Code Section 162(m)

Under both the House and Senate versions of the Tax Cuts and Jobs Act, Internal Revenue Code Section 162(m) would be modified to expand the scope of companies and executive officers subject to the limitation on deductibility of compensation over $1 million, as well as to eliminate the exception to non-deductibility under Section 162(m) for qualified performance-based compensation. The changes would be effective for tax years after 2017, but under the Senate bill, binding contracts in effect on November 2, 2017 would be grandfathered if not materially modified on or after that date).

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