



Investment Trusts and RICs

Chapman and Cutler LLP regularly advises unit investment trusts on the tax consequences of their structures, investments and distributions. Some of these trusts may qualify as regulated investment companies; others may be treated as grantor trusts.

The vehicles our clients bring to our department are complex. Each has its own investor goals, so we respond to every matter with an appropriate plan.

The Tax Department regularly works with securitization structures that use one or more investment trusts to act as the issuer. It is almost always necessary that the investment trust in the securitization structure be taxed as a pass-through entity for U.S. federal tax purposes. Failure to meet the requirements for this treatment can result in the investment trust not meeting the goals of its investors.

Our attorneys consult with other groups at our firm to review and monitor issues affecting tax classification of investment trust vehicles. We work with the sponsors of these investment trusts to determine ways of achieving their goals while complying with the applicable federal income tax rules. We regularly give opinions on the tax status of investment trusts and have obtained several favorable rulings from the Internal Revenue Service affirming the trust status of investment trusts with various characteristics. We have also been extensively involved in working with the Internal Revenue Service and the industry to respond to federal income tax information reporting requirements.

Additionally, Chapman practitioners provide investor-focused tax disclosure for offering documents used when shares or units in an investment trust are offered to the public. We regularly draft tax disclosures for a large number of these offerings and we routinely create tax discussions for inclusion in marketing materials used for unit investment trusts.

Attorneys

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Related Practices

Asset Securitization (Tax)

Certified Capital Company Finance (CAPCOs)

Common Trust Funds

Corporate Finance (Tax)

Credit Tenant Loan Finance

Cross-Border Institutional Private Placements

Debt Instruments

Derivative Transactions

GIC Providers

Governmental Institutions and Agencies

International Transactions

Leveraged Leasing (Cross-Border and Domestic)

Limited Liability Companies

Mergers and Acquisitions

Mortgage-Backed Securities

Municipal Bond Tax Controversy

Not-for-Profit and 501(c)(3) Organizations

Offshore Funds

Partnerships

Public/Municipal Finance

For many investment trusts, particularly those investing in bonds that are exempt from state taxes, achieving favorable pass-through treatment for state tax purposes is essential. We regularly advise investment trust sponsors with respect to these state tax matters, and provide opinions and disclosure with respect to the state tax consequences in several states.

Real Estate Investment Trusts (REITs)

Real Estate Mortgage Investment Conduits (REMICs)

Special Tax Counsel

State/Local Tax Issues

Synthetic Lease Finance

Tax Lobbying

Taxation