



# Limited Liability Companies

Although most tax issues for limited liability companies are identical to those for partnerships, when federal, state and international tax perspectives are added to the equation, unique issues and treatments found only in the structure of limited liability companies arise.

**As limited liability companies become more common, our tax attorneys make it a point to stay abreast of the latest developments and trends in this area.**

Limited liability companies now engage in every type of transaction. These include, but are not limited to, securitizations, offshore investment transactions, private equity and hedge funds and numerous other corporate and municipal finance transactions.

Because our client base of LLCs has grown in direct proportion to the nation's trend, members of the Tax Department continually gain experience assessing and resolving tax and other issues unique to this business type.

## Publications

- Frost, Steven G. and Sheldon I. Banoff: "Square Peg, Meet Black Hole: Uncertain Tax Consequences of Third Generation LLEs." *Journal of Taxation*, June 2004.
- Carman, Paul D.: "Booking Up on Issuance of a Partnership Interest to a Service Partner Is a Valuable Addition." *23 ABA Section of Taxation News Quarterly 13*, Spring 2004.
- Carman, Paul D.: "Foreign Partners, Doing Business, FIRPTA Withholding, and the Section 1446 Proposed Regulations." *31 Real Estate Taxation 62*, 1st Quarter 2004.
- Carman, Paul D. and Sheldon I. Banoff: "Proposed Regulations on Noncompensatory Partnership Options: No Gain, Some Pain." *98 Journal of Taxation 197*, April 2003.

## Attorneys

Paul D. Carman

## 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

Derivatives Transactions

GIC Providers

Governmental Institutions and Agencies

International Transactions

Investment Trusts and RICs

Leveraged Leasing (Cross-Border and Domestic)

Mergers and Acquisitions

Mortgage-Backed Securities

Municipal Bond Tax Controversy

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

Offshore Funds

Partnerships

Public/Municipal Finance

Real Estate Investment Trusts (REITs)

- Reynolds, James and Steven G. Frost: "ULLCA and Tax Classification." *Journal of Limited Liability Companies*, Fall 1995.
- Frost, Steven G.: "Partnerships & S Corporations -- Receipt of Capital and Profits Interests Continues to Have Uncertain Tax Consequences." *Journal of Taxation*, July 1991.

## Presentations

- Gnazzo, Melanie J.: "Check the Box, Elective Partnership Taxation and Reduced Cost Entity Conversions." Presented at the *California Bar Association D.C. Delegation Meeting*, May 1995.

## Representative Transactions

- Firm counsel submitted a legislative proposal to Congress to "fix" self-employment tax problems limited liability companies often encounter.
- We structured Canadian cross-border investments while maintaining U.S. flow-through treatment and limiting Canadian capital tax exposure.
- Chapman attorneys structured acquisitions of select Texas targets through limited partnerships with a goal of preserving the acquirer's best tax position.
- We gave advice on property, sales and other transfer tax issues associated with transfers of pools of leased assets to a limited liability company that had been treated as a disregarded entity for tax purposes.
- Additionally, we have represented clients using single member LLCs and series LLCs for federal and state tax and organizational planning purposes.

Real Estate Mortgage  
Investment Conduits (REMICs)  
Special Tax Counsel  
State/Local Tax Issues  
Synthetic Lease Finance  
Tax Lobbying  
Taxation