

## Paul D. Carman

### PARTNER

Chicago

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Paul Carman is a partner and the Practice Group Leader of Chapman's Tax Department. His practice focuses primarily on structuring the tax consequences of finance and investment transactions and investment vehicles.

Paul also has extensive experience in representation of taxpayers and exempt entities in connection with a wide variety of transactional tax issues, tax compliance issues, and tax controversies, including formation, acquisition and reorganizations of corporations, partnerships and exempt entities, syndications and private placements of investment, hard industry, e-commerce and real estate ventures, leasing, synthetic leasing and like-kind exchanges.

### Representative Matters

- Represents lenders and issuers in cross-border structures
- Represents sponsors of unit investment trusts and regulated investment companies
- Represents lessors in single investor, leveraged and synthetic leases
- Securitization of installment contracts, contract receivables, and student loans
- Represents lenders in credit tenant leases
- Represents in-bound investment funds on U.S. withholding issues
- Represents acquirers and targets in taxable and tax-free business acquisitions
- Structures acquisitions and dispositions of U.S. real property by foreign persons
- Represents managers and investors in flow-through investment vehicles

### Admitted

Illinois, 1986

### Education

Northwestern University  
School of Law, J.D., 1986

- Managing Editor,  
*Northwestern Law Review*

Kansas Wesleyan University,  
B.A., 1979

- Valedictorian

### Practice Focus

Aircraft Finance

Asset Securitization (Tax)

Banking and Financial  
Services

Bond Counsel

Certified Capital Company  
Finance (CAPCOs)

Common Trust Funds

Community Development and  
Charter School Finance

Corporate Counseling

Corporate Finance (Tax)

Corporate Finance and  
Securities

Credit Tenant Loan Finance

Cross-Border Institutional  
Private Placements

- Advising both for profit and exempt organizations on structuring joint ventures and management relationships to avoid excess benefit transactions

## Memberships

American Bar Association

Chicago Bar Association

International Bar Association

International Fiscal Association USA Branch

## Honors & Awards

- American Bar Foundation, Fellow
- American Bar Association, Lawrence Katz Memorial Service Award, 2014
- Ranked by *Chambers USA* as a leading tax and investment attorney in Illinois
- Listed as a “Super Lawyer” in Tax by *Illinois Super Lawyers* for the years 2006-present

## Publications

**January 11, 2022**

LIBOR Transition Regulations Finalized

## Periodicals

- “A Systematic Approach to the Classification of Cryptocurrency,” *Tax Notes* (September 27, 2021).
- “Impact of Canada-US Treaty on the U.S. PFIC Regime, or Some Canadian Tax Planning Doesn’t Fly South,” XXIV *Corporate Finance* (No. 1, 2021).
- “Cross-border Workouts and Cancellations: A US Review,” XXIII *Corporate Finance* 19 (No. 4, 2020).
- “GILTI, GloBE, BEAT and Where We Go from Here,” XXII *Corporate Finance* 2 (2019).

Cryptocurrency, Digital Assets, and Blockchain

Debt Instruments

Equipment Finance

ESG Counsel and Sustainable Finance

Ex-Im Bank Financing

General Corporate

Governmental Institutions and Agencies

Health Care Finance

International Transactions

Investment Trusts and RICs

Lease Finance

Leveraged Leasing (Cross-Border and Domestic)

Limited Liability Companies

Mergers and Acquisitions

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

Not-for-Profit Health Care Finance

Offshore Funds

Partnerships

Public Finance

Rail Finance

Real Estate Investment Trusts (REITs)

State/Local Tax Issues

Tax Lobbying

Taxation

Taxation

Utility Finance

- "Classification of Exempt Organizations under U.S. FATCA, U.K. IGA and OECD CRD," *Journal of International Taxation* (August 2018).
- "Navigating the New U.S. Hybrid Territorial/Worldwide Regime," *XXI Corporate Finance* 23 (2018).
- "The Impact of the U.S. Tax Cuts and Jobs Act on Financial Transactions," *20 Derivatives and Financial Instruments* (May 3, 2018).
- "The Impact of U.S. Tax Reform on Canadian-U.S. Corporate Groups," *XXI Corporate Finance* 18 (2018).
- "IRS Blesses Stock Dividends from Certain RICs and REITs," *Real Estate Finance Journal* (Fall 2017).
- "Managing Tax Risks: U.S. Regulatory, Tax and Financial Statement Approaches," *18 Derivatives and Financial Instruments* (February 18, 2016).
- "Services Other than as a Partner — Return of the Son of Pratt," *43 Real Estate Taxation* 4 (4th Quarter 2015).
- "Comparison of the Proposed Changes to the OECD and US Model Conventions," *17 Derivatives and Financial Instruments*, Published Online (November 13, 2015).
- "From the Editor" (relationship of Reg. 1.61-8 and 467) *42 Real Estate Taxation* 147 (3rd Quarter 2015).
- "The IRS Bifurcates Many Swaps with Non-Periodic Payments," *17 Derivatives and Financial Instruments*, Published Online (August 28, 2015).
- Co-Author, "The Taxation of Split-Interest Trusts," *27 Taxation of Exempts* 21 (July/August 2015).
- "U.S. President's 2016 Budget Proposals Provide for a Unilateral Approach to U.S. Base Erosion," *XIX Corporate Finance* 2698 (2015).
- "BEPS Action 2: Hybrid Mismatch Arrangements," *17 Derivatives and Financial Instruments*, Published Online (April 30, 2015).
- "From the Editor" (home mortgage payments) *42 Real Estate Taxation* 99 (2nd Quarter 2015).
- "The Barnes Group Case, the Step Transaction Doctrine and Substance over Form," *17 Derivatives and Financial Instruments*, Published Online (March 27, 2015).
- Co-Author, "United States Domestic and Regulatory Treatment of ETFs," *17 Derivatives and Financial Instruments*, Published Online (February 5, 2015).
- Co-Author, "Recent US Inversion Guidance Affects Financing of Cross-Border M&A," *117 Wolters Kluwer Global Tax Weekly a closer look* 5 (February 5, 2015).
- "The Business of Lending: Renegotiated Debt," *Journal of Taxation* 121.4 (October 2014).
- "Financial Regulations Affirm and Supplement Rules on Mixed Straddles," *IBFD Derivatives & Financial Instruments* 16.5 (September/October 2014).
- "From the Editor: Rules for Investment in Foreign Real Estate Companies Clarified but Still Complex," *Real Estate Taxation* 41.1 (3rd Quarter 2014).
- "IRS Grants Transition Relief for FATCA but Not Delayed Effectiveness," *Derivatives & Financial Instruments* 16.4 (July/August 2014).

- "Editorial: OECD Digital Economy Draft Suggests Changes Uncertainty," *Derivatives & Financial Instruments* 16.3 (May/June 2014).
- "Letter from Editor," *Real Estate Taxation* (2nd Quarter 2014).
- "US Dividend Equivalents: Final Regulations Subject Repos and Swaps to Dividend Tax," *Derivatives & Financial Instruments* 16.2 (March/April 2014).
- Co-Author, "Crescent Holdings: Unvested Capital Partner Avoids Income Allocations, but Many Questions Remain," *Journal of Taxation* 120.4 (April 2014).
- "From the Editor" (codification of the economic substance doctrine), 37 *Real Estate Taxation* 99 (2nd Quarter 2010).
- "IRS Designates LIFFE a Qualified Board or Exchange," 12 *Derivatives & Financial Instruments* 27 (March/April 2010).
- "Tax-Exempt Entities, Leasing, and Service Contracts," 22 *Taxation of Exempts* 23 (March/April 2010).
- Co-Author, "United States: General Tax Accounting Rules, IFRS and Derivatives," 12 *Derivatives and Financial Instruments* 11 (March/April 2010).
- Co-Author, "Will Exempt Newspapers be a New Page in Journalism?" in 21 *Taxation of Exempts* 27 (Nov/Dec 2009).
- "Wagering Contracts: The Other Basket," 11 *Derivatives and Financial Instruments* 142 (Sept/Oct 2009).
- "The Section 706 Prop. Regs.: A Mechanical Rule with Surprises (and Questions)," 111 *Journal of Taxation* 33 (July 2009).
- "From the Editor" (treatment of tenant improvements) 36 *Real Estate Taxation* 147 (3rd Quarter 2009).
- "From the Editor" (lack of a foreclosure exception in the withholding rules on partnerships that hold U.S. real estate but have foreign partners), 36 *Real Estate Taxation* 99 (2nd Quarter 2009).
- "The Basis Recovery Proposed Regulations: A (Second) Move to Suspended Losses from Basis Shifting," 110 *Journal of Taxation* 196 (April 2009).
- "Conduit Financing, Limitations on Treaty Benefits and US Domestic Regulations," 11 *Derivatives & Financial Instruments* 46 (March/April 2009).
- "Taxation of Carried Interests," *CCH's Taxes-The Tax Magazine* (March 2009).
- "The 5th Protocol -- Structuring Canadian Investments in U.S. Real Estate," in 36 *Real Estate Taxation* 65 (1st Quarter 2009).
- "From the Editor" (IRS procedures to allow REITs to distribute stock to satisfy their dividend distribution requirements) 36 *Real Estate Taxation* 51 (1st Quarter 2009).
- "From the Editor" (extension of the solar energy credit), 36 *Real Estate Taxation* 3 (4th Quarter 2008).
- "From the Editor" (notional principal contracts as interests in U.S. real estate), 35 *RE Taxation* 147 (3rd Quarter 2008).
- Co-Author, "The Uncertain Certainty of Being a Partner: Partner Classification for Tax Purposes," 109 *Journal of Taxation* 165 (September 2008).

- “To Merge or Acquire, that is the Question: Deemed Terminations vs. the Partnership Merger Prop. Regs.,” 108 *Journal of Taxation* 325 (June 2008).
- “The Portfolio Interest Exception in the Partnership Context,” Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures and Other Strategic Alliances 2008.
- Co-Author, “Prop. Regs. On Partnership Equity Issued for Services: the Collision of Section 83 and Subchapter K,” Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures and Other Strategic Alliances 2008.
- “In Search of Partners’ Interests in the Partnership: The Alternative to Substantial Economic Effect,” Tax Planning for Domestic & Foreign Partnerships, LLCs, Joint Ventures and Other Strategic Alliances 2008.
- “From the Editor” (cancellation of home mortgage indebtedness), 35 *Real Estate Taxation* 99 (2nd Quarter 2008).
- Co-Author, “Corporate and partnership roll-ups: variations in treatment based on choice of entity,” 108 *Journal of Taxation* 162 (March 2008).
- “Choice of Entity and the Potential Taxation of Carried Interests,” 35 *Real Estate Taxation* 52 (1st Quarter 2008).
- “From the Editor” (the special rules for restructuring of debt in REMICs under Rev. Proc. 2007-72) 35 *RE Taxation* 51 (1st Quarter 2008).
- Co-Author, “Questions Unanswered in Prohibited Tax Shelter Provisions,” 19 *Taxation of Exempts* 21, (January/February 2008).
- “In Search of Partner’s Interest in the Partnership: the Alternative of Substantial Economic Effect,” 107 *Journal of Taxation* 214 (October 2007).
- Co-Author, “Debt, Equity or Other: Applying a Binary Analysis in a Multidimensional World,” 107 *Journal of Taxation* 17 (July 2007).
- “Does New Ruling Mean Partnership Gain Recognition on Interests for Services?” 107 *Journal of Taxation* 57, (July 2007).
- Co-Author, “WHFIT Reporting Rules Become Robust But Have Significant Simplifying Safe Harbors,” 106 *Journal of Taxation* 232 (April 2007).
- Co-Author, “The Tax Aspects of Payments Made by Guarantors and Joint Obligors,” 32 *Real Estate Taxation* 100 (2nd Quarter 2005).
- “Foreign Partners, Doing Business, FIRPTA Withholding, and the Section 1446 Proposed Regulations,” 31 *Real Estate Taxation* 62 (1st Quarter 2004).
- “A Lender’s Tax Consequences to Modifications of Debt with OID,” *Journal of Taxation of Corporate Transactions*, (January - February 2003).
- “Unwinding the Family Limited Partnership,” 98 *Journal of Taxation* 163 (March 2002).
- Co-Author, “Federal and State Tax Consequences of Synthetic Leasing,” 96 *Journal of Taxation* 361 (December 2001).

## Books and Other Non-Periodic Publications

- Co-Author, "Partnership Taxation," Carolina Academic Press, (4th ed. 2017).
- "FATCA Applied to Collective Investment Vehicles," International Bureau of Fiscal Documentation (2017).
- Co-Author, "Handling Family Partnerships and LLCs," Illinois Estate Administration, IICLE (2009).
- Co-Author, "Partnership Taxation," LexisNexis, (2d ed. 2008).
- "Financing the International Transaction" in International Trade Legal Strategies, published by Aspatore Books, 2007. International Trade Legal Strategies is part of Aspatore Books "Inside the Minds" series which is targeted at C-level executives (e.g., CEO, CFO) for major corporations.
- Co-Author, "Partnership Taxation," LexisNexis, (2006).
- Co-Author, "2006 Supplement to Handling Family Limited Partnerships and LLCs," Illinois Estate Administration, IICLE (2003, Supp. 2006).

## Other Information

- 2006-2009 Illinois Super Lawyer
- Editor-in-Chief, *Real Estate Taxation*
- US Regional Editor, DFI

## Presentations

- Presenter, "Fiscal Sponsorships and Political Activity," Chicago Lawyers' Committee for Civil Rights. September 22, 2021.
- Presenter, "Opportunity Zone Workshop," City of Victoria, TX. July 27, 2021.
- Panelist, "Remaking International Tax for the 21st Century: Impact of and Outlook for OECD's Evolving Pillars," Virtual IBA/ABA 21st Annual US and Europe Tax Practice Trends Conference. March 22–25, 2021.
- Panelist, "Digital: Balancing Principles with Politics," 9th Annual IBA Tax Conference. January 21, 2020.
- Co-Chair, "Digital Economy Roundtable Discussion," 12th Annual US and Latin America Tax Practice Trends Conference, June 14, 2019.
- Panelist, "US Developments Relating to Financing and Capital Markets," 8th Annual IBA Tax Conference. January 28, 2019.
- Panelist, "The Digital Economy: Tax Sparing to Tax Sharing," 11th Annual Tax Planning Strategies US and Latin America Conference. June 15, 2018.
- Panelist, "Financing—Current Issues and Trends," 7th Annual IBA Finance & Capital Markets Tax Conference. January 29, 2018.
- Panelist, "Structured Financing," 6th Annual IBA Tax Conference: Current International Tax Issues in Cross-Border Corporate Finance and Capital Markets. January 30, 2017.

- Panelist, "Synthetic Investment Schemes," 5th Annual IBA Tax Conference: Current International Tax Issues in Cross-Border Corporate Finance and Capital Markets. February 8, 2016.
- "New Partnership Audit Rules," Chapman and Cutler LLP. December 2, 2015.
- Panelist, "Partnership Debt vs. Debt-Like Equity," 2015 Joint Fall CLE Meeting of the ABA Section of Taxation and Section of Real Property, Trust and Estate Law. September 18, 2015.
- "Portfolio Interest Exception & Other Tax Issues in Cross-Border Financing," Chapman and Cutler LLP. July 14, 2015.
- Co-Presenter, "OECD's Base Erosion & Profit Shifting (BEPS) Initiative," IIT Chicago-Kent College of Law 34th Annual Federal Tax Institute. April 30, 2015. Chicago, IL.
- Panelist, "New 3.8% Net Investment Income Tax and Related Passive Loss Planning," The American Law Institute's Creative Tax Planning for Real Estate Transactions. April 23, 2015.
- Panelist, "Partnership Agreement Drafting Session: How to Structure and Document Joint Ventures," The American Law Institute's Creative Tax Planning for Real Estate Transactions. April 23, 2015.
- Panel Chair, "Foreign Account Tax Compliance Act," 4th Annual IBA Tax Conference: Current International Tax Issues in Cross-Border Corporate Finance and Capital Markets. February 10, 2015. London, England.
- Co-Presenter, "Canada-U.S. Current Cross-Border Tax Update, 19th Taxation of Corporate Reorganization, Federated Press. January 20-22, 2015. Toronto, Canada.
- Panelist, "Global Politics and Cross-Border Tax Planning," ABA Business Law Section Meeting. September 11, 2014.
- Presenter, "Hot Topics for the Busy Real Estate Lawyer," American Bar Association Real Property, Trust & Estate Law Section, Webinar. June 4, 2014.
- "The Canada-U.S. Income Tax Treaty: Corporate Tax Planning Opportunities," Federated Press 7th Taxation of Inbound Investment, September 17, 2013. Toronto, Canada.
- "Issues for HFAs in Low Income Housing Partnerships," NALHFA Workshop on Financing & Partnering - Creating Affordable Housing with Tax-Exempt Bonds and Low-Income Housing Credits, September 13, 2013. Dallas, TX.
- "Donor Advised Funds," First Trust Cares. September 10, 2013.
- "Tax Issues for Transactional Lawyers," Chapman and Cutler Core Curriculum. July 12, 2013.
- "Tax Provisions in Loan, Note Purchase and Credit Agreements," Chapman and Cutler CLE. July 2, 2013.
- "Federal Income Tax Update," ELFA Tax Best Practices Roundtable, June 24, 2013. Cleveland, OH.
- "Requirements for Written Tax Advice," Chapman and Cutler LLP. June 11, 2013.
- "LSTA Tax Provisions," Chapman and Cutler LLP Credit Enhancement Group. June 3, 2013.
- Panelist, "Aggregate Versus Entity: The Original Sin of Subchapter K," ABA Tax Section 2013 May Meeting, Partnerships & LLCs Committee, May 10, 2013. Washington, D.C.
- "FATCA 101: The Foreign Account Tax Compliance Act," Chapman and Cutler LLP CLE Marathon. May 8, 2013.

- “Introduction to Unrelated Business Taxable Income and Effectively Connected Income,” Chapman and Cutler, LLP. April 2, 2013.
- “U.S. Tax Reporting Obligations on Foreclosures, Deeds in Lieu and Write Downs of Debt,” Chapman and Cutler, LLP. March 21, 2013.
- “Conduits, Beneficial Owners, and Financing Transactions,” 2nd IBA/CIOT Conference: Current International Tax Issues in Cross-Border Corporate Finance and Capital Markets, February 11, 2013. London, England.
- “U.S. Tax Reporting Obligations on Foreclosures, Deeds in Lieu and Write Downs of Debt,” BMO Harris Bank NA. November 29, 2012.
- “When is a Disregarded Entity Disregarded?” Chicago Bar Association Federal Taxation Committee. September 25, 2012.
- “Circular 230 Update And Practitioner Regulation: Expansion of Scope and Clarifications,” Lorman Educational Services National Teleconference. September 24, 2012.
- “Canada-U.S. Tax Treaty: Corporate Tax Planning Opportunities,” Federated Press 6th Taxation of Inbound Investment, September 12, 2012. Toronto, Canada
- “Differences between RICs and WHFITs from a Federal Tax Perspective,” Chapman and Cutler CLE. July 17, 2012.
- Co-Presenter “New Markets Tax Credits and Rehabilitation Tax Credits”, Illinois Institute of Technology. June 20, 2012.
- Co-Presenter “Tax Issues - Forgiveness, Cancellation and Modification of Debt”, Chapman and Cutler CLE. June 13, 2012.
- Panelist, “Hot Topics in Partnership/LLC Taxation,” IIT-Kent Federal Tax Institute. May 17, 2012.
- Co-Presenter, “Tax Issues on Cross-Border Financing Transactions,” Chapman and Cutler CLE. April 26, 2012.
- “Introduction to Tax Issues in Corporate Mergers and Acquisitions,” Chicago Bar Association Federal Taxation Committee Corporate Tax Division. February 8, 2012.
- “U.S. Tax Reporting Obligations on Foreclosures, Deeds in Lieu and Write Downs of Debt,” BMO Harris Bank NA. February 2, 2012.

## Teaching

- “Taxation of Partners and Partnerships” and “Advanced Partnership Taxation,” University of Alabama School of Law, 2009-Present.
- “Federal Income Tax Aspects of Real Estate,” John Marshall Law School, 1997-2007.
- “Corporate Taxation,” IIT Chicago-Kent College of Law, 1995-96.



## News

### **October 11, 2021**

Chapman Serves as US Legal Counsel to PSPDFKit in Initial Growth Investment of More Than €100 Million

### **November 13, 2020**

Chapman Honored with HANA Center's 2020 Standing Up for Justice Award