

349 East Tax Alert

According to a report published this week in Tax Notes State, during 2024 taxpayers lost almost two-thirds of “significant” cases against states and localities. That is a terrible percentage for taxpayers. And the result is even worse when one considers not only the taxes, interest, and penalties at issue, but also the legal fees, other litigation expenses, and internal time, money, and other resources consumed by litigation.

The 2024 booklet ***“Principled Subnational Tax Practice: Guidelines for Representing Multistate Taxpayers Without All the Fireworks,”*** is highly relevant to this, and relates the following incident:

As one of several tax lawyers addressing in-house professionals, I heard another lawyer declare over and over again that she “wants to litigate (whatever happened to be the topic of the moment)”. Her enthusiasm for litigation was evident. But, I thought, who is going to pay for all of this fighting? And, if I was a company tax director, is this the attitude I would want from my representative? More pointedly, I would wonder whether all of this shoot ‘em up litigation is in my best interests or hers?

Taxpayers are encouraged to review the materials in that 2024 booklet, especially the article “Nonlitigated Resolutions of Multistate Tax Disputes: Three Case Studies Show How Taxpayers, States Can Find Common Ground.” The article describes strategies for winning by avoiding unnecessary litigation. The complete booklet is available by clicking on the bolded title above and at www.349east.com.

349 East Multistate Tax Planning LLC • www.349east.com
“Seeing Beyond the Horizon”
daviduribencarmel@349east.com



This Alert contains general observations and is for informational purposes only. Subnational tax planning requires knowledge of specific facts, as well as professional expertise and judgement. Recipients of this bulletin are advised to seek expert advice.