KLUG COUNSEL PLLC

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STRATEGIC TRUSTED ADVISORS

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The team at Klug Counsel provides sophisticated tax planning and structuring for federal, state, and international taxation to Fortune 100 companies as well as start-ups, corporations, partnerships, non-profits, private equity funds, family offices, and individuals. We are highly experienced and diverse, trained both domestically and internationally, providing our clients with sophisticated, customized representation.



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OUR APPROACH

Our services fill a void typically missing in small to midsize tax practices and we routinely deal with the tax practices of Big Law and large accounting firms in planning and structuring transactions for our clients. We ensure our clients receive attentive and customized legal representation responsive to their needs and oriented to their goals. Through our strategic alliances with law firms and other professional service firms domestically and internationally, we are able to seamlessly serve the needs of our clients in tax and corporate matters both in the U.S. and internationally.

SERVICES

Tax Services

Klug Counsel provides federal, state, and international tax advice to corporations and other business entities, nonprofits, individuals, families, and family offices. Our attorneys provide creative, practical, business oriented solutions to achieve the client's goals. We take the lead in tax planning and structuring for foreign and domestic limited partnerships, limited liability companies, and joint ventures.

Economic and political uncertainty, shifting tax schemes globally and the increased pace of technological disruption are rapidly reconfiguring how sophisticated business transactions take place. Successful deals require forward thinking investment strategies and a tax-efficient approach. We guide clients at each stage of the fund life cycle from formation and management, transactions and investments, optimization of fund and portfolio company operations, and exit planning. Whether a transaction is a taxable asset or equity sale, a tax-free reorganization, we have in-depth experience from working on complex, cutting edge deals.

Corporate Tax | Private Equity | Mergers and Acquisitions | International Tax

Tax-Exempt Organizations | Executive Compensations | Tax Controversy and Litigation

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Wealth Management

We have extensive experience working with clients to ensure their hard work to acquire and grow wealth can continue to benefit their desired beneficiaries by coordinating the conditions and means for transfer to beneficiaries. We create tailored asset-management, estate, and business succession plans for individuals, businesses, families, and family offices. We know the rules governing income, gift, and estate taxation, and work closely with financial advisors and accountants to structure plans that protect assets, benefit future generations, and facilitate the support of charitable, educational, and religious institutions. We are well versed in handling formation and structuring of family offices (and their subsidiaries and affiliates), sophisticated tax planning, wealth transfer strategies, liability mitigation and highly customized structuring of investments throughout the capital structure and across alternative asset landscapes.

Estate Planning | International Estate Planning | Family Office | Corporate Fiduciary Representation

NOTABLE REPRESENTATIONS AND HIGHLIGHTS

- **Represented foreign private equity funds in tax-efficient structuring and negotiation of terms of numerous real estate investments in Chicago**, as well as their acquisition of companies in the health, entertainment, and various other industries in the U.S.
- **Represented a Chinese company in the development of a geothermal power plant in California** and advised on the US federal tax aspects of formation and operation, US-Chinese income tax treaty considerations, privacy considerations, and tax-efficient repatriation of the profits.
- **Represented a US company developing $500,000,000+ credit facility in Mexico** and advise on US tax-efficient structuring including Controlled Foreign Corporation ("CFC") implications, subpart F income, planning for the Global Intangible Low-Taxed Income ("GILTI"), and tax implications of exiting the investment and repatriation planning.
- **Represented a US company's acquisition of a Spanish company and advised on US tax aspects of the acquisition** and coordinated with Spanish tax professionals regarding the Spanish implications of the acquisition and other Spanish tax issues.

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- **Represented the private wealth department of a Japanese bank moving high net worth investment portfolios to the U.S.** and advised on the U.S.taxation of nonresident aliens, tax planning opportunities, and withholding tax and compliance requirements.
- **Reduced a tax holdback on a $20 million deal from $3.5 million to $0** in the course of representing a technology target of an acquisition and leveraging the acquirer's erroneous tax analysis to receive a single payment of the purchase price in 2021 instead of installment payments over a number of years;
- **Structured an acquisition to allow the Buyer an additional $4 million in depreciation/amortization deductions** pursuant to their acquisition of a medical service company and guide them through a corporate restructuring to accommodate opportunity zone fund equity on a tax-free basis, bank financing, and an election to treat the stock purchase of the target as an asset purchase;
- **Structured a stock sale to reduce a key shareholder's worldwide tax liability by more than $6 million on a $45 million purchase price** for their shares pursuant to an acquisition of a foreign corporation;
- **Executed pre-immigration planning to increase a client's tax basis in closely held business stock from $0 to $40 million** prior to commencement of U.S. tax residency without any U.S. or other country taxation thereby reducing gain by $40 million on an anticipated sale of the stock in 2022;
- **Represented individual clients to remove Forms 3520 and 3520-A related penalties erroneously imposed by the IRS;**
- **Prepared the tax structure and related work for the formation of 3 private equity funds**, each fund in excess of $100 million, including structuring for tax efficient investment for U.S. taxable persons, foreign persons, and tax-exempt entities;
- **Prepared the tax structure for a crypto mining company** including tax efficient acquisition of a power plant, offshore structuring of $50 million worth of equipment, and related tax implications for investors;
- **Tax planning for a nonfungible token (NFT) company** that is looking for an exit through a special purpose acquisition company ("SPAC");
- **Reviewed two recent acquisitions of a digital marketing firm and post-acquisition** structured a change in how the acquisition occurred for tax purposes allowing for an increase of $5.3 million in the tax basis of the assets thereby allowing for tax savings in excess of $2 million; and
- **Structured a qualified opportunity zone fund investment to comply with the rules to allow for tax deferral of investors** contributed capital gains, 10% reduction in tax base, tax free growth of the investment, a restructuring to coordinate the investment of two funds, and considerations for foreign investors.

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