

## Tax/Trusts and Estates

### Attorneys

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### Services

Real Estate Transactions  
General Corporate Tax  
Business Tax  
Tax-Exempt Organizations  
Compensation and Benefit Plans  
International Tax

### Related Areas

Real Property Taxation

Linowes and Blocher LLP has a dynamic tax practice with the ability to advise clients in virtually all areas of tax law. Our primary goal is to achieve the optimal tax treatment consistent with our clients' business and personal objectives. Our tax practice includes international, federal, state and local tax laws and regulations. The diverse experience of Linowes and Blocher LLP's tax attorneys enables us to handle a variety of tax matters.

### Real Estate Transactions

- Structuring and forming various companies, including joint ventures, partnerships, LLCs, REITs, etc. whose purpose is to acquire and operate real property
- Advising companies and individuals in regard to the issuance or receipt of carried or "profits" interest in companies in exchange for services
- Structuring and advising with regard to Section 1031 like-kind exchanges of real property
- Advising foreign investors with respect to sales of and acquisitions of U.S. real property, the Foreign Investment in Real Property Act (FIRPTA) requirements, exemptions thereto, withholding, and related tax issues
- Advising on matters regarding state and local real property transfer taxes, including transfers of interests in real property entities
- Structuring transactions and providing tax opinions in connection with tax credits, including federal low-income housing, historic/rehabilitation, and new markets tax credits

### Tax Credits and Community Development

#### • Low-Income Housing Tax Credit (LIHTC)

We have advised clients in the use of the Low Income Housing Tax Credit (LIHTC). We have represented both for-profit and nonprofit developers of low-income housing, as well as syndicators, equity investors and lenders. Our tax department counsels clients on the tax credits pursuant Section 42 of the Internal Revenue Code and prepares all necessary applications, joint venture agreements and other documents of exchange. We can provide opinions on the eligibility of the credits and advise our clients on

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the stringent IRS guidelines. We also advise clients on HUD guidelines, including those with respect to private/public partnerships.

Most recently, we have been involved in LIHTC transactions by private developers, banks and public housing and nonprofit organizations meeting their community development goals by obtaining private investment through the LIHTC program. We have assisted these organizations in utilizing the LIHTC program as a means to provide additional financing while helping these clients address their development approval obligations to state and local governmental agencies.

- **New Markets Tax Credit (NMTC)**

We are experienced in the structuring, negotiating and closing of NMTC projects using multiple layers of private and public funding sources and combining the NMTC with other credits. We have represented both developers and investors; providing opinions when necessary. Our tax department counsels clients on the tax credits pursuant Section 45D of the Internal Revenue Code and prepares all necessary applications, joint venture agreements and other documents of exchange.

- **Historic and Rehabilitation Tax Credit (HTC)**

We have represented developers, nonprofit organizations, syndicators and investors in connection with the development, rehabilitation and equity syndication of historic tax credit projects. We have spoken at various seminars with respect to the reversal of the Historic Boardwalk Hall case and the new IRS guidelines (“Safe Harbor”) pursuant to Revenue Procedure 2014-12. We have advised upon and documented transactions that have involved the redevelopment and rehabilitation of a wide variety of historic properties across the United States and have provided opinions on such transactions. Our tax department counsels clients on the tax credits pursuant Section 47 of the Internal Revenue Code and applicable state programs and advises on the use of the credit whether or not combined with other credits or sources of financing.

- **Assisted Housing and Community Development**

Both in connection with the aforementioned programs and in other ways, our real estate and business transactions departments have vast experience in national affordable housing and community development. The practice is national in scope, and we regularly assist clients by negotiating development terms, closing loans, handling various aspects of housing and community development projects and obtaining public financing and assistance. We represent for-profit and nonprofit developers and have organized for-profit and nonprofit development entities, and nonprofit/for-profit joint ventures in order to take advantage of federal, state and local funding opportunities.

- **Nonprofit Organizations**

Federal, state and local housing agencies, including HUD, have shifted their housing assistance programs to public and nonprofit agencies. We have been involved in the structure and formation of partnerships and limited liability companies used by nonprofit organizations as acquisition vehicles, as well as joint ventures formed by for-profit and nonprofit members/partners. Additionally, we are counsel to many tax-exempt institutions, such as affordable housing conglomerates, hospitals and universities, in connection with their real estate ownership, ventures, acquisitions, charitable giving programs and related transactions. We have also assisted charitable nonprofit organizations in obtaining tax-free municipal bond financing for their capital projects in Washington, DC and Maryland.

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### **General Corporate and Business Tax**

- Counseling clients on entity selection, with an eye toward limiting tax costs, achieving civil liability insulation, and preserving tax attributes
- Advising clients on the use of family limited partnerships, limited liability companies (LLCs) and other estate and succession planning vehicles for business and real property interests
- Structuring business and investment transactions - including taxable and tax-free mergers and acquisitions, domestic and international reorganizations, recapitalizations, and liquidations
- Negotiating and drafting agreements and other documents of exchange with tax implications, including shareholder agreements and indemnification agreements
- Negotiating and structuring partnerships and LLCs, including preparing allocation, distribution, liquidation and other provisions
- Establishing investment funds for numerous types of business assets and activities, including; housing and other real estate, foreign currency's, commodities, biotechnology companies and factoring receivables and stock
- Establishing offshore hedge funds and advising them on a variety of issues, including the use of onshore and offshore feeder funds and side-by-side structures
- Restructurings and work-outs and managing the tax implications, including issues related to discharge of indebtedness income and exceptions to such rules
- Obtaining private letter rulings from the IRS in connection with complex federal tax transactions

### **Tax-Exempt Organizations**

- Obtain and preserving tax-exempt status
- Representing private foundations, public charities and other tax-exempt organizations with respect to unrelated business tax, private inurement, private benefit, excess benefit and prohibited transactions, joint ventures, grant making and other transactions
- Advise on Form 990 and all required governance policies
- Tax-exempt planning with respect to donations, gifts and deductions
- Formation of not-for-profit and for profit subsidiaries
- Structuring joint ventures between tax-exempt organizations and for-profit and/or credit seeking investors
- Advise tax-exempt organizations entering into joint ventures on unrelated business taxable income and how to limit it through compliance with fractions rule and other methods

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- Advise tax-exempt organizations with respect to political activities and lobbying

### **Compensation and Benefit Plans**

- Advise clients on equity incentive programs such as incentive and nonqualified stock option plans and the grants of restricted stock of profits/carried interests
- Advise clients to comply with Internal Revenue Code Section 409A nonqualified deferred compensation rules and the avoidance of the golden parachute rules
- Advise clients to comply with Internal Revenue Code Section 83 and regarding restricted property and related elections for LLCs operating real estate and other businesses

### **International Tax**

- Counseling domestic companies seeking to operate in foreign countries
- Counseling foreign companies seeking to do business in the U.S.
- Representing foreign businesses and individuals in the acquisition and sale of U.S. real property
- Working with the provisions of U.S. income tax treaties to achieve beneficial tax treatments
- Coordinating with foreign tax advisors to maximize tax benefits to clients

### **State and Local Business Incentive Programs**

The Firm represents clients seeking to relocate or expand businesses into Maryland in obtaining tax incentives, grants and other economic development incentives from the State of Maryland and local jurisdictions, including job creation property and income tax credits, research and development income tax credits, enterprise zone property and income tax credits, cybersecurity investment incentive tax credits and manufacturing tax credits.

### **Trusts & Estates**

Throughout their lives, our clients are working to achieve personal and financial goals and objectives, and we work right alongside them to help establish their personal legacies with the highest level of competence, professionalism and compassion.

The Trusts & Estates practice focuses on estate planning and administration. Working with clients from diverse personal and professional backgrounds, we establish comprehensive estate plans that meet their personal objectives, ensure continuity of business or farming operations, minimize or delay estate tax liability, and provide for the smooth administration of their estates upon their deaths. We pride ourselves in having the real estate, corporate and tax experience necessary to advise our lifelong clients on the legal and tax issues that arise in connection with their real estate, business and investment assets.

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## Estate Planning

We believe estate planning should be a positive and empowering experience. To that end, we work closely with all our clients to identify their personal, charitable and business objectives, then to develop estate plans that are individually-tailored to achieve those objectives.

### Designing a Comprehensive Estate Plan

We offer a Last Will and Testament, a Personal Financial Power of Attorney and an Advance Medical Directive to all our clients.

- **The Last Will and Testament** enables clients to appoint a legal guardian and establish trusts for their beneficiaries; appoint a personal representative to administer their estates upon their deaths; transfer their personal wealth to the objects of their affection, whomever they may be; and to delay, minimize, and apportion the payment of estate tax liability.
- **The Personal Financial Power of Attorney and the Advance Medical Directive** are critical components of every estate plan. These documents allow clients to appoint an agent (or agents) to make financial and healthcare decisions for them, in the event they become disabled during their lifetimes. Together, these documents significantly reduce the likelihood that a family member would need to go through the legal process of being appointed a client's guardian to assist with the management of his or her financial affairs or healthcare needs.
  - **The Personal Financial Power of Attorney** allows clients to appoint an individual or individuals to manage their property, including financial assets, in the event they are unable to manage these assets themselves.
  - **The Advance Medical Directive** allows clients to appoint a healthcare agent (or agents) who is authorized to make medical decisions for them when they are no longer able to communicate their desires; to provide for organ donation, if a registered organ donor; and to take custody of their bodies after their deaths to arrange for their final burial or cremation.

Our comprehensive estate planning often includes the preparation of trust instruments and premarital agreements for clients with blended families, significant real estate investment assets, taxable estates or significant privacy concerns.

- We have significant experience with the creation and funding of revocable living trusts, irrevocable life insurance trusts, qualified personal residence trusts, charitable remainder trusts and supplemental needs trusts.
- We regularly advise clients as to whether establishing a trust is a cost-effective and advantageous means to achieve their estate planning goals.

For entrepreneurial clients and those with interests in family businesses or farming operations, we may also recommend the formation of a business entity.

- We form business entities such as limited liability companies, partnerships and corporations; advise clients on business succession issues to ensure smooth management transitions in the event of the death or disability of a

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member, stockholder, or partner; and we document transfers of interests in these business entities.

We offer estate planning clients sophisticated tax planning.

- With over 30 years of experience, we provide strategies for minimizing and delaying the payment of Federal and Maryland Estate and Gift Taxes.
- In addition to the estate planning vehicles already discussed, we assist clients with the establishment of formal gifting programs.
- We coordinate and strategize with clients' accountants to ensure the estate planning strategies we employ effectively reduce the clients' overall tax liability, after considering income and capital gains tax obligations.

### **Estate and Trust Administration**

After the death of an individual, we assist families with the estate and trust administration process.

- We represent personal representatives to inventory assets, prepare accountings and distribute property.
- We assist clients with the payment of debts, and advise them with respect to notices from creditors.
- We prepare any necessary Federal or State estate tax returns.
- We prepare deeds and assignments conveying real estate and personal property to beneficiaries and legatees.
- We appear in proceedings before the Orphans' Court on behalf of clients.
- We represent trustees under the Maryland Trust Act to provide mandatory notices, prepare accountings and make distributions to beneficiaries.
- We prepare settlement agreements between beneficiaries of a trust or estate regarding the distribution of assets.