Income Tax and Accounting

Skadden

Skadden's Tax Group offers clients a comprehensive approach to income tax and accounting (ITA) matters, drawing on deep technical knowledge and extensive practical experience. Our team is adept at navigating the complex landscape of federal income tax rules, providing strategic advice and innovative solutions across a broad spectrum of issues.

We leverage our team's prior experience at the IRS Office of Chief Counsel and at the Department of the Treasury to obtain informal government input, pursue rulings (private letter rulings and changes in accounting method) and develop strategies for input into legislative, regulatory and sub-regulatory guidance processes. We are well-versed in the latest legislative and regulatory developments, and our attorneys' backgrounds enable us to anticipate and address emerging challenges with insight and precision.

Whether advising on planning, controversy or transactional matters, we collaborate closely with clients, their in-house tax professionals and other advisors, and with Skadden colleagues in related practice areas, to deliver seamless, practical and effective tax solutions tailored to each client's unique business objectives.

Skadden has been repeatedly recognized by *Law360* as a Tax Group of the Year since 2015, and ranked No. 1 in *Vault*'s Best Law Firms for tax every year since 2010. In addition, *Lexology Index* named us its 2025 Corporate Tax Team of the Year. Our tax practice and its members are repeatedly ranked in the top tiers of *Chambers USA*, *Chambers High Net Worth*, *Chambers Global*, *The Legal 500* and *Best Lawyers*' Best Law Firms.

We provide counsel in several major tax-related contexts:

- **Planning.** We have assisted clients across all industries with developing, implementing and documenting traditional and reverse ITA planning, with an eye to recent and current legislative and regulatory developments.
- **Controversy.** Our team has represented many clients before IRS examination teams, IRS Appeals offices, and the Tax Court and District and Circuit federal courts. We are fluent in both substantive and procedural issues important in tax controversy matters.
- **Transactional.** We regularly work with our transactional teams at all stages of a matter — from advising on due diligence, to structuring components of a deal, to addressing the treatment of transaction costs.

Our ITA experience includes advising on:

- Recognition of income under general and special methods (*e.g.*, percentage of completion)
- Recognition of deductions, including special methods (*e.g.*, recurring item exception)
- Treatment of research and development expenditures
- Capitalization versus deduction of expenditures
- Cost recovery, including depreciation, amortization and depletion
- Inventory costing and cost flow, including uniform capitalization and LIFO versus FIFO
- Corporate alternative minimum tax (CAMT)
- Interaction of timing rules and business credits, such as green and research credits
- Deduction limitations (*e.g.*, business interest, excess business losses, fines and penalties)
- Characterization of income and deductions, including ordinary versus capital
- Tax ownership issues, including their impact on sale, lease, license or service treatment
- Characterization of transactions, including conduit arrangements and intragroup contracts