Tax Controversy and Litigation

Skadden

Skadden's Tax Controversy and Litigation Group assists clients in resolving high-stakes, complex tax disputes.

Our tax controversy and litigation attorneys represent clients in every type of dispute with taxing authorities, including audits, administrative appeals, Tax Court and district court litigation, and international matters involving competent authority.

We handle a broad range of tax matters involving transfer pricing, financial products, partnership issues, tax accounting, tax credit qualifications, gift and estate taxes, excise taxes, exempt organization qualification, employment taxes and worker classification matters, tax treaty and withholding tax issues, novel controversies related to the Tax Cuts and Jobs Act (TCJA), and state and local taxes.

Our clients rely on the deep experience of our tax attorneys, many of whom have previously served in U.S. government positions, including at the IRS, Department of the Treasury and White House, as well as on congressional tax writing committees.

Administrative Settlements

The vast majority of our successes for clients are reached privately through the administrative process, which involves developing creative resolution strategies and utilizing various procedural avenues including with IRS exam, prefiling agreements, IRS appeals, multijurisdictional (competent authority) and voluntary disclosures. We have helped a number of clients, across a variety of industries, during IRS audits to reach settlements on favorable terms, including, in some cases, with no adjustments. Recent representative experience includes:

- Helping a **hedge fund** client resolve a long-running, multibillion-dollar tax dispute, which *The Wall Street Journal* described as one of the largest tax settlements in history.
- Representing **Veolia Environnement SA** (France) in its IRS dispute regarding a $4.5 billion worthless stock deduction. Following an extensive 10-year-long audit, the IRS conceded in full.
- Representing **prominent individuals** in IRS global high wealth examinations.
- Representing **partnerships** in energy investment tax credit disputes
- Representing a **major financial institution** in its IRS audit of a complex multijurisdictional restructuring, and settling the dispute with no adjustments.

US Tax Litigation

We have been involved in some of the most significant litigated tax cases in the United States, both at trial and on appeal. Recent successes include:

- Victories in Tax Court trials of large transfer pricing disputes, including for:
  - **Amazon** in one of the largest transfer pricing cases in decades and the first involving e-commerce; and
  - **Eaton Corp.** in the first case involving the court's review of an IRS decision to retroactively cancel an Advance Pricing Agreement.
- Victories in a district court on behalf of **Altria Group Inc.** in a tax refund IRS dispute, and in a Tax Court trial on behalf of **Fidelity Investments** in a tax credit dispute, the first IRS challenge to an energy-related tax equity partnership transaction in many years. The victory for Fidelity was subsequently affirmed by the D.C. Circuit.
- A rare award of sanctions against the IRS on behalf of **LakePoint Land II, LLC** as a result of actions by the government that the Tax Court found to have been in bad faith and that unreasonably and vexatiously multiplied the proceedings.

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- Favorable settlements, including:
  - in Tax Court on behalf of the **Estate of William Barron Hilton**, **Mylan Inc.** and **Agero Holdings, Inc.**; and
  - in federal district court on behalf of **Athene USA Corp.** in a refund dispute, as well as on behalf of **Liberty Tax** in an injunction action and on behalf of **Ornstein-Schuler Investments LLC** in challenging the validity of an IRS notice that was issued in violation of the Administrative Procedure Act.
- Appellate victories, including:
  - in the Sixth Circuit for **Eaton Corp.** in securing a unanimous affirmance of our previous Tax Court trial victory. This case was the first case involving an IRS attempt to cancel a binding Advance Pricing Agreement;
  - in the Eleventh Circuit for the **Hewitt family** by obtaining an invalidation of a Treasury regulation as arbitrary and capricious under the Administrative Procedure Act;
  - in the D.C. Circuit on behalf of **Starr International Company Inc.** involving a competent authority decision; and
  - in the Supreme Court as counsel for *amicus* **American College of Tax Counsel**.
- State and local tax litigation including representing:
  - **Altria Group Inc.** in a dispute with the Michigan Department of Treasury challenging the state's power to tax a $4.7 billion gain as extraterritorial income. Litigation in the state Court of Claims resolved with a full concession by the Michigan Department of Treasury; and
  - **Priceline.com** with regard to nationwide sales and use as well as hotel occupancy tax disputes, including long-running litigation in more than 50 separate lawsuits in state and federal courts.

In addition, representative cases in tax litigation that we are currently handling include:

- **Amgen Inc.** in connection with one of the largest transfer pricing cases concerning the licensing of complex biopharmaceutical products from the United States to Amgen's Puerto Rican subsidiary (U.S. Tax Court).
- **Eaton Corporation** in several cases involving significant and novel issues relating to transfer pricing, duplicate E&P and double taxation in the context of subpart F, application of the partnership anti-abuse rules and collateral estoppel based on Eaton's prior victory on certain issues in a 2017 Tax Court case (U.S. Tax Court).
- **Newell Brands Inc.** in a significant transfer pricing dispute centered on the value attributable to a sourcing agent in the consumer products industry. This is one of the few cases delving deeply into sourcing commission arrangements in the consumer products space (U.S. Tax Court).
- **Commonwealth Bank of Australia** in a high-profile dispute concerning the U.S. taxation of financial transactions undertaken by the Australian bank and related foreign exchange consequences. The case involves notable issues relating to the interpretation of the U.S.-Australia Tax Treaty and its application to the bank's U.S. branch (U.S. Court of Federal Claims).
- **Medtronic, Inc.** in a significant transfer pricing dispute involving a second remand in the U.S. Tax Court after the Eighth Circuit's second review and remand (U.S. Tax Court).
- **Sanofi S.A. (Aventis)** in a case of first impression challenging the IRS' determination that a Financial Asset Securitization Investment Trust (FASIT) was invalid (U.S. Court of Appeals for the Third Circuit).
- **FedEx Corporation** in an appeal seeking to defend FedEx's significant tax victory in district court involving $89 million in tax credits for foreign tax payments relating to the company's foreign subsidiaries (U.S. Court of Appeals for the Sixth Circuit).
- **Altria Group Inc.** in an appeal involving a $105.7 million tax refund stemming from Altria's equity interest in beverage company Anheuser-Busch InBev SA/NV (U.S. Court of Appeals for the Fourth Circuit).

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US Tax Enforcement

We also have deep experience representing clients in tax enforcement areas related to congressional investigations, third parties under subpoena, promoter investigations and criminal tax investigations.

Non-US Tax Disputes

We handle a broad range of non-U.S. tax disputes, including matters involving taxing authorities, court disputes (whether against a taxing authority or another private party in relation to contractual tax obligations), and arbitrations and other dispute resolution mechanisms. Our European tax team operates seamlessly across borders and, where relevant, also as part of an integrated team with our U.S. tax controversy and litigation attorneys.

Recent representative experience includes:

- Securing a victory for **Vodafone International Holdings B.V.** in its long-running $5.5 billion dispute with the Republic of India under the Netherlands-India bilateral investment treaty.
- Assisting numerous clients in responding to formal inquiries from various taxing authorities, particularly involving companies in the financial services, medical device and pharmaceutical sectors.
- Assisting clients in cross-border audits and exchange-of-information requests, and negotiating bilateral and multilateral advance pricing agreements with different taxing authorities, including as an audit resolution strategy.
- Advising multinationals in relation to various jurisdictions' (including U.K. and Germany) taxation of global intellectual property, such as developing audit strategies, multilateral controls and related contractual and securities law issues, as well as relief under double tax and bilateral investment treaties.
- Advising clients on various state aid matters introduced by the European Commission. For example, we recently acted as state aid counsel for **Kingfisher plc** with respect to its annulment petition and other procedural matters before the EU General Court, for which we deployed a cross-disciplinary team in our London and Brussels offices.

Recognition

Our tax controversy practice and its attorneys have repeatedly been recognized in the highest bands of *Chambers USA*, *Chambers Global*, *Chambers High Net Worth*, *The Legal 500* and *International Tax Review*. Recent rankings and awards include:

- Ranked in Band 1 for Nationwide Tax Controversy in the 2026 edition of *Chambers USA*.
- Ranked in Tier 1 for Tax Controversy and Transfer Pricing in the 2026 edition of *ITR World Tax*.
- Ranked in Tier 1 for Tax Litigation and Controversy in the 2026 edition of *Best Lawyers*' Best Law Firms.
- Recognized by *International Tax Review*'s Annual Awards, including as:
  - Tax Court Firm of the Year, North America Tax Litigation Law Firm of the Year, North America Tax Law Firm of the Year, Northern California Tax Firm of the Year, Washington DC Tax Firm of the Year and Washington DC Transfer Pricing Firm of the Year at the 2026 Americas Tax Awards.
  - UK Tax Law Firm of the Year and Germany Tax Litigation Law Firm of the Year at the 2026 Europe Tax Awards.
- Awarded Tax Litigation Firm of the Year at the *Benchmark Litigation* Europe Awards 2026.
- Named a Tax Group of the Year by *Law360* since 2015.
- Ranked No. 1 in *Vault*'s Best Law Firms for tax every year since 2010.

"Market-leading strength across an impressive range of tax disputes, both in and out of the US Tax Court."
— Chambers USA 2026