

## Rising Star: Skadden's Nathan Wacker

By **Matthew Guerry**

*Law360 (June 22, 2023, 1:28 PM EDT)* -- Nathan Wacker of Skadden Arps Slate Meagher & Flom LLP has represented clients in high-stakes corporate tax disputes, including Eaton Corp.'s landmark victory in a challenge to the IRS' attempted cancellation of an agreement between the two, earning him a spot among the tax law practitioners under age 40 honored by Law360 Rising Stars.

### ***THE BIGGEST CASE OF HIS CAREER:***

Wacker has worked on several major tax cases, but considers one brought by the power management company Eaton to be the most important of his career.

As a member of the company's legal team, Wacker in 2017 helped secure a favorable ruling for Eaton at trial in the U.S. Tax Court. Eaton had sued the Internal Revenue Service years earlier for canceling two of its advance pricing agreements, which taxpayers and tax authorities use to establish agreed-upon prices for asset transfers between affiliated companies.

In its appeal of that decision, the IRS later told the Sixth Circuit that Eaton incorporated transfer prices on its tax returns for 2005 through 2008 that weren't consistent with amounts reflected on the annual reports for those years that it filed in connection with the APAs.

The discrepancies constituted material conduct that fell under the cancellation provision of the revenue procedures related to the APAs, the IRS argued in filings with the appeals court. But in 2022, with Wacker still representing the company, Eaton was vindicated for a second time when a Sixth Circuit panel found the company's errors permitted the IRS to enforce the agreements, but not cancel them.

Wacker remembers the case for its complexities as well as its effects.

"We were successful in the Tax Court, and our trial victory in the Tax Court was important to Eaton but also more broadly to the taxpayer

2023

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**RISING  
STAR**



**Nathan Wacker**  
Skadden

**Age:** 39

**Home base:** Washington, D.C.

**Position:** Partner

**Law school:** University of Virginia  
School of Law

**First job after law school:**  
Associate at Bingham McCutchen  
LLP

community," he said.

#### ***HIS PROUDEST MOMENT AS AN ATTORNEY:***

In a career defined by high-profile corporate tax disputes, Wacker's proudest moment as an attorney came during his first foray into criminal defense.

As a member of a pro bono team of Skadden lawyers in 2021, he helped free a Maryland man who spent more than 20 years behind bars for a murder he claims not to have committed. Jonathan D. Smith was released from prison less than a year after the state's highest court reversed his conviction due to prosecutorial misconduct.

The Innocence Project had earlier unearthed evidence that prosecutors withheld from Smith's case.

"Getting that decision, having that conviction overturned and then getting to see Mr. Smith out of custody, out of prison for the first time in two decades and able to hug his son, is something I'm incredibly proud of," Wacker said.

He began working on the case several years after Skadden first became involved, writing many of the court briefs submitted in the run-up to the Maryland Supreme Court ruling that overturned Smith's conviction. While the case was unlike any he had encountered, Wacker said it required the same skills.

"Writing a brief is writing a brief, and whether I'm doing that in a dispute with the IRS or the government about taxes, or try to get a conviction overturned for Jonathan, those same skills apply," he said.

An appeal by the state of Maryland to permanently absolve Smith of guilt is pending in state court.

#### ***WHAT MOTIVATES HIM:***

Wacker said he is motivated by a combination of things.

"First and foremost would be the fantastic clients that we're lucky enough to have," he said.

Getting good results is satisfying on a personal level, Wacker said, but it means even more to clients. The tax and legal departments he works with experience the matters at issue in their cases in a more consistent manner and for longer periods of time than does their legal counsel, Wacker said.

He said his second major motivator is the intellectual challenges associated with the job. A desire for a profession that presented opportunities for thinking critically and creatively, Wacker said, is what drew him to the law in the first place.

#### ***WHY HE IS A SKADDEN ATTORNEY:***

Wacker credits both his practice area and his place of employment to the colleagues he made early in his career.

Much of the work he performed during a summer associateship at a boutique firm pertained to tax, he recalled. He built relationships with specialists there with whom he would later make the jump to Skadden.

"That kind of locked me into being a tax attorney. And then when that group decided to move to Skadden in 2014, it was easy to come here," he said.

Wacker said he works with many of the same people today, and considers them not only world-class lawyers but friends as well.

***HOW HE THINKS HIS PRACTICE AREA AND THE LEGAL INDUSTRY WILL CHANGE IN THE NEXT 10 YEARS:***

With the legal industry already confronting the question of how to harness artificial intelligence effectively and responsibly, Wacker said it will be interesting to see where the technology takes the profession as it develops. One consideration will be how to pair AI with the experience and judgment that seasoned practitioners bring to the table, he said.

In the realm of tax litigation, Wacker said he expects to see more administrative law challenges to IRS rulemaking and guidance. Liberty Global, a telecommunications company Wacker represented, mounted a successful challenge of that kind last year.

Siding with the company that April, a federal court in Colorado found the U.S. Treasury Department failed to provide adequate notice of temporary regulations that limited deductions on repatriated earnings.

"I think both in terms of tax controversy and the broader legal industry, it will be a very interesting decade," Wacker said.

— *As told to Matthew Guerry. Editing by Adam LoBelia.*

*Law360's Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2023 Rising Stars winners after reviewing more than 1,350 submissions. Attorneys had to be under 40 as of May 1, 2023, to be eligible for this year's award. This interview has been edited and condensed.*