

# Tax Valuation Opinions

The valuation professionals at Marshall & Stevens are relied upon by corporate taxpayers and tax authorities to provide value opinions of businesses, equity, debt, intangible assets, equipment, and real estate for tax planning, reporting, and dispute purposes.

## CORPORATE TAX MATTERS

**“409A” Valuations** – Under IRC Section 409A, companies seeking an option grant for tax purposes require an independent valuation of the equity to support their claim. Companies following US GAAP require the same analysis for compliance with ASC 718. Our financial valuation professionals perform these analyses for both requirements.

**Ad Valorem Opinions** – Our in-house financial, fixed asset, real estate, and litigation support professionals work as a team to assist corporations with the reporting of property tax values that meet state and local assessment requirements and for disputes with assessors.

**C to S Conversions** – The change in legal entity from a C corporation to a subchapter S corporation requires a valuation of the date of the conversion to set a basis for potential recapture from a future sale of the business or underlying assets. Having in-house professionals who provide independent valuation of businesses, tangible and intangible assets makes Marshall & Stevens an excellent choice for these multidisciplinary analyses.

**Corporate Reorganizations & Liquidations** – Corporate reorganization may increase capital efficiency, increase profits, and/or return on investment. The experts at Marshall & Stevens can assist with changes in corporate structure, a merger or acquisition, a consolidation bankruptcy or liquidation where one or more valuation analyses may be necessary.

**Corporate Tax & Transfer Pricing** – For multinational companies that engage business combinations, asset acquisitions, and the multijurisdictional use of assets and services, it is vital to engage a respected independent firm to provide tax reporting and valuation analyses that can stand up to heavy scrutiny by the IRS.

**Cost Segregation, Repairs & Maintenance Studies** – Our equipment valuation and cost segregation professionals provide analyses of buildings, facilities, and tangible assets to assist companies and investors with allocation of costs for accelerated depreciation, capitalization and expensing per IRS guidance including MACRS.

**Discharge of Debt** – When a debt is cancelled, in whole or in part, taxes generally must be paid on that “new” income. In some instances, a taxpayer may establish through an independent valuation that they qualify for an exemption from those taxes under IRC Section 108.

**Employee Stock Ownership Plans (ESOP)** – Formation of an ESOP requires a valuation for the seller(s) and for the buyer (ESOP Trustee) as well a feasibility analysis, structuring, and financing consulting. Once an ESOP has been formed, it is necessary to have the equity valued annually to define the pricing of employees’ allocated shares. Marshall & Stevens has an integrated solution for ESOP formation and valuations.



**Financing Transactions** - Marshall & Stevens is a trusted provider of reasoned, independent analyses that meet industry and regulatory standards for important financing, refinancing, and recapitalization transactions.

**Golden Parachute** - Companies undergoing acquisitions or other change of control events may be required to comply with IRC Section 280G, known as “golden parachute” payments to company leadership. Marshall & Stevens has the expertise to assist the buyer or seller with valuation analyses of the golden parachute payments in compliance with Section 280G.

**NOL Carryforwards** - To better comprehend the scope of a company’s Net Operating Losses (NOLs), a valuation may be necessary to determine its fair market value prior to any ownership changes as well as the fair market value of the company’s assets for unrealized capital gains purposes.

**Purchase Price Allocations** - Our in-house financial, equipment, and real estate specialists provide valuations to assist management with the allocation of acquired assets for tax reporting as well as financial reporting purposes.

**Renewable Energy Tax Credits** - The Energy & Infrastructure practice at Marshall & Stevens provides hundreds of valuations and cost segregation analyses each year to assist with tax equity investment transactions, transferability of credits, repowering (“80/20”) of facilities, and more.

**Transfer Pricing** - We use market-based pricing techniques, benchmarking studies, and other accepted valuation methodologies to incorporate inter-company pricing policies supported by well-established valuation theory, economic principles, and current regulations.

**Worthless Stock** - A worthless stock is one that has no liquidating value and no future potential value. To prove both conditions for the purposes of a worthless stock deduction, a taxpayer must provide a valuation of the stock that has been completed by an independent third party.

## PERSONAL TAX MATTERS

**Estate & Gift Tax** - The IRS requires that interests in businesses, funds, real estate, intellectual property, tangible assets, and marketable securities be valued by a “Qualified Appraiser” for gift and estate tax reporting. Our diverse team has extensive experience in providing reliable independent valuations for compliance with IRS reporting.

**Exit & Succession Planning** - We assist founders and owners in the potential exiting of their business with independent valuation and consulting services to determine the fair value of and future opportunities for the business(es). Our professionals are prepared to assess deal offers from potential buyers and provide a fairness opinion for the transaction.

## TAX DISPUTES

**Tax Court Disputes** - Our forensic accounting and litigation support professionals assist taxpayers and taxing agencies with a wide variety of federal, state, and local tax disputes.

*For more information, please contact one of the professionals listed below.*



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