

**Deloitte.**



**Multistate Tax Controversy Services**

Every tax controversy is unique; almost all are urgent and inconvenient for the involved parties. Precisely for these reasons, Deloitte Multistate Tax Controversy Services provides a team and a solution tailored specifically to each client's controversy, drawing from our network of highly experienced, knowledgeable subject matter specialists from diverse backgrounds, including:

- Former state tax litigators from law firms
- Former tax agency and audit staff
- Private industry tax controversy executives
- Controversy technology specialists

With our collective experience and close working relationships, credibility, and familiarity with tax agency teams and decision makers across the country, we can quickly assess the situation, establish a tailored solution, and work efficiently and effectively toward a resolution.

We also keenly understand the importance of key internal communications and managing expectations. We can help in-house tax professionals keep executives informed throughout the process by explaining the administrative procedures, outlining the options and strategies for achieving a resolution, and discussing protections established to limit future controversies. We also offer automated management reporting for clients signed on to our web-based Tax Controversy Manager.

### Learn more about our offerings

Deloitte Tax LLP Multistate Tax Controversy Services makes available the complete range of services our clients need to prepare for, manage, and effectively resolve state or

local tax controversy matters. Our service offerings include: **proactive resolutions**, e.g., engaging in discussions with taxing authorities on an anonymous basis for clients prior to filing returns and, depending on the outcome of the discussions, obtaining written rulings to support the return position; **controversy defense**, including representing clients in audits, administrative appeals, and settlement negotiations; and **information technology and resource solutions** to help manage the audit inventory workload efficiently and effectively, from open to close. Since each client matter is unique, our approach emphasizes a tailored solution, carefully and strategically developed by the appropriate members of our team of controversy and technical specialists.

### Proactive resolutions

***An ounce of prevention is worth a pound of cure.***

The most successful result to a potential tax dispute is prevention of the dispute in the first place. Accordingly, our proactive resolution service offerings are structured with an eye for bringing certainty to our clients' uncertain state tax positions. Through this lens, we help our clients obtain certainty, or at least reduce uncertainty, where it is anticipated that a state tax authority may challenge or dispute a return position. We consider these options with our clients in pre-audit forums, including prior to the filing of a tax return.

Service offerings include:

- Rulings and advisory opinions
- Closing agreements

- Voluntary disclosure agreements
- Amnesty programs
- Other administrative dispensation and guidance

### Controversy defense

***The best offense is a good defense.***

Successfully defending a tax return that is being audited requires careful preparation and advance planning. Yet, for a variety of reasons, many businesses continue to approach audits and tax disputes reactively. We encourage clients to consult a controversy professional as early as possible. Although a state tax audit may seem informal at first, it is a government investigation that deserves careful treatment from the beginning. Our Multistate Tax Controversy Services team has the knowledge and experience to advise you in developing a controversy defense strategy and to represent you or your company through every phase of the controversy defense process.

### Controlling the administrative process

A tax controversy often includes scheduling and managing state auditors and tax agency contacts; drafting appropriate and timely responses to information requests; preparing position papers that apply the relevant tax laws to the relevant facts persuasively yet in a non-confrontational tone; and analyzing settlement scenarios, and negotiating settlements and closing agreements. We understand that each controversy is unique—for example, some are highly dependent on the facts and some raise legal issues of first impression—and our

experienced professionals endeavor to determine that each client's controversy matter is handled effectively and efficiently.

- **Developing a strategy that can lead to the desired outcome**

Our settlement and compromise service offerings are structured to provide a set of value-based alternatives or resolution considerations beyond just the "hazards of litigation" and the resulting cost. Due to their nuanced understanding of the settlement or compromise authority in a client's jurisdiction and coupled with their deep technical knowledge of the jurisdiction's litigation strategies, our specialists are well positioned to advise on whether your contested state tax positions are suited for settlement or compromise, appropriate for an administrative decision or order, or ripe for litigation.

- **A holistic approach to defending a state tax assessment**

Many state tax controversies present an ideal opportunity for a final look at the tax returns upon which a contested state tax position was presented. This is the time to analyze potential state tax offsets which may reduce or neutralize the state tax assessment and, in certain situations, turn an assessment into a refund. By taking a more broad-based approach

to a taxpayer's state tax controversy instead of narrowly focusing on the issues raised or assessed, our state tax controversy practitioners may identify additional options to reach a more effective resolution.

#### **Information technology and resource solutions**

We also advise clients regarding their tax examination function and related processes in a value-added, cost-effective manner. We collaborate with the tax team on goal setting, assist in implementation of efficient audit management processes, and provide management reporting on audit resolution. Services may include contract personnel, controversy management training and support, and using our Tax Controversy Manager tool (also available for licensing) and other technologies for state tax amended returns.

#### **Deloitte Tax jurisdictional controversy leads**

Just as state tax regimes differ across jurisdictions, state administrative procedures and processes also vary. Knowing the procedural options can be critical to efficiently resolving the controversy matter. Deloitte Tax jurisdictional controversy leads are experienced in resolving issues with state tax agencies through the available administrative processes.





Meet part of the Deloitte Multistate Tax Controversy network of highly experienced, knowledgeable subject matter specialists:



**Valerie C. Dickerson**

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Valerie leads the Multistate group within the Deloitte Tax Washington National Tax practice, advising the firm's multistate and multinational clients on the state and local aspects of significant transactions, controversies, and filing positions for which the group has also provided significant formal tax opinions. As an integral part of that practice, Valerie specializes in California tax matters, representing and advising clients in California audits, protests, appeals, and settlements, as well as discretionary administrative resolutions. In addition, she leads the Deloitte Tax Multistate Tax Controversy Services team of controversy-focused professionals with litigation and accounting backgrounds, including a number who have significant experience as litigators and a number who are former state tax agency executives and legal staff.

Valerie's controversy experience includes issues involving nexus, throwback, unitary/non-unitary relationships, non-business income/expense, market-based sourcing for services and intangibles, state tax treatment of foreign entities, dividend treatment, stock/asset dispositions, expense disallowance, transactions, and constitutionality of statutes and regulations. She has advised on such matters for industries including health plans, life science, technology, media, energy, food service, insurance, manufacturing, consumer products, and retail. Further, her experience includes providing or advising on formal state tax opinions.

Licensing, education and professional memberships

- State Bar of California; US District Court, Southern District of California; ABA
- CPA: California, Georgia, and Washington, D.C.; AICPA
- Georgia State University College of Law, J.D.
- Emory University, Goizueta School of Business, B.A., Accounting
- Co-chair, National Multistate Symposium
- State Bar of California, Advisor to Taxation Section, Executive Committee

**Chris Campbell**

Principal

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Chris is a Principal on the Deloitte Multistate Tax Controversy Services team in Los Angeles and a liaison to the Deloitte Tax Washington National Tax-Multistate practice as a California controversy and technical lead. He specializes in representing clients and resolving tax disputes with the California taxing authorities and the IRS. Chris is also a member of the Deloitte Tax Private Wealth group, as his clients include high-net-worth individuals, family offices, and fiduciaries, for whom he advises on federal income tax matters and California and other state tax matters involving residency, trust taxation, and the sourcing of income derived from investment partnerships, among other issues.



Chris most recently led the Tax Controversy and Litigation Practice and the State and Local Tax Practice for Loeb & Loeb LLP, regularly representing clients in audits, appeals, and litigation with the IRS, California State Board of Equalization, and California Franchise Tax Board. Chris worked closely with that firm's Trusts and Estates Practice and handled numerous audits and appeals involving federal income, estate, and gift taxes. Chris also has extensive experience in bankruptcy-tax matters and was frequently retained to represent debtors and creditors as special tax counsel in bankruptcy cases.

Licensing, education and professional memberships

- State Bar of California
- State Bar of California, Taxation Section, Executive Committee
- University of Michigan Law School, J.D.
- Dartmouth College, B.A.





**Jack Trachtenberg**

Principal

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Jack Trachtenberg is a Principal on the Deloitte Multistate Tax Controversy Services team in New York and a liaison to the Deloitte Tax Washington National Tax-Multistate practice as a New York controversy and technical lead. Jack focuses on all aspects of state and local tax controversy matters for corporations and passthroughs, including income/franchise and sales and use tax, and has deep experience serving high-net-worth individuals in personal income tax matters, including residency.

Jack has extensive experience advising clients on New York State and New York City tax matters, having successfully litigated cases before the New York State Division of Tax Appeals, the New York State Tax Appeals Tribunal, and the New York State Supreme Courts. Before joining Deloitte, Jack was a partner in the state tax practice at Reed Smith LLP. In 2009, the Governor of New York appointed Jack to serve as the first Deputy Commissioner and Taxpayer Rights Advocate at the New York State Department of Taxation and Finance. In this role, Jack created and implemented the state's Office of the Taxpayer Rights Advocate, which intervenes on behalf of taxpayers facing tax disputes for which the normal resolution process has proved unsatisfactory.

Licensing, education and professional memberships

- New York State Bar Association, Tax Section, Executive Committee
- American Bar Association, Tax Section, State and Local Tax Executive Committee
- New York City Bar Association, State and Local Tax Committee
- University at Buffalo School of Law, J.D.
- Case Western Reserve University, B.S.

**Mike Bryan**

Managing Director  
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Mike is a managing director in the Deloitte Tax Washington National Tax-Multistate practice. For the five years before joining Deloitte Tax, Mike was the Director of the New Jersey Division of Taxation. Mike carries strong credentials with respect to state policy considerations and audit defense and has deep relationships with other tax administrators. Prior to his leadership role with the state of New Jersey, Mike spent 16 years overseeing all federal, international, and state controversy matters for a large publicly traded media company in Philadelphia.



Mike coordinates state controversy services for Deloitte Multistate Tax clients nationally, particularly controversies within New Jersey, and is instrumental in working through issues with the states on behalf of Deloitte Tax clients. Mike serves as a resource to the entire Deloitte Multistate Tax practice with respect to technical review of filing considerations and newly-developed technical positions, restructuring, and other transactions, and drafting formal opinions.

Licensing, education and professional memberships

- Temple University, M.B.A., Taxation
- Drexel University, B.S., Accounting









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