

Tax Update (Vol. 2022, Issue 2)

WRITTEN BY

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Our [Tax Practice](#) is different from that of most major law firms – we go beyond just answering tax questions by providing independent, practical advice, tailored to each client’s local and global business objectives.

We hope you find benefit from this issue of our Tax Update, addressing federal and international tax issues.

NY SUPREME COURT RULES TAXPAYERS’ NY VACATION HOME NOT PERMANENT PLACE OF ABODE

By: Randy Varner

State personal income tax issues related to residency and domicile, because of their fact-dependent nature, are often the subject of controversy and litigation. Taxpayers have a fresh win in this area to celebrate. The New York Supreme Court, Appellate Division, Third Department, in *In the Matter of Obus et al. v. New York State Tax Appeals Tribunal*, N.Y. Sup. Ct. App. Div. Third Dept. Dkt. No. 533320 (June 30, 2022), reversed a Tax Appeals Tribunal decision, holding that a rarely used vacation home in New York was not a “permanent place of abode” for purposes of the New York state personal income tax.

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SOVEREIGN WEALTH FUNDS: IMPORTANT INVESTORS WITH SPECIFIC TAX CONCERNS

By: Steven Bortnick and [Morgan Klinzing](#)

Sovereign Wealth Funds (SWFs) are an important source of capital for private equity funds. SWFs generally enjoy favorable tax treatment in the U.S., but this treatment is subject to specific limitations; SWFs typically require separate LPA provisions or side-letter protection to ensure that their favorable tax treatment is not thwarted by the activities of the funds in which they invest.

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FIRM ANNOUNCEMENTS

We are very pleased to announce the addition of Partner, Thomas Gray to the Troutman Pepper Tax Team.



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Tom Gray, a leading tax attorney in transactional and investment tax, recently joined Troutman Pepper's national tax practice as a partner in the firm's New York office. Most recently, Tom served as a partner at Faegre Drinker.

"With his extensive transactional tax and investment funds experience, Tom will be an outstanding addition to our Tax and Benefits practice groups and add significant value to our clients" said Partner Joan Arnold, who leads the practice.

Tom is a skilled tax attorney with a deep knowledge of complex tax laws and considerations at stake when clients undertake transactions or investments. His practice focuses on all corporate and partnership transactions, including mergers and acquisitions, reorganizations, restructuring, spinoffs, and equity and debt financings.

With a unique viewpoint as both a certified public accountant and lawyer, the firm's clients will benefit greatly from Tom's familiarity on tax issues from every perspective. He will support both domestic and offshore clients on cross-border tax matters.

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AWARDS AND RECOGNITIONS

- **Joan Arnold** joins *Law360's* Tax Authority International Editorial Advisory Board.
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- **Morgan Klinzing** was selected to serve as CLE Chair of the ABA Tax Section Partnership Committee.

EVENTS

- **Todd Reinstein** presented on "A Practical Look at Section 382" for the TEI Westchester – Fairfield Chapter on June 21, 2022.
- **Anne Loomis** presented at the Association of Corporate Counsel Energy Network on June 15, 2022.
- **Todd Reinstein** presented on "Ethical Issues for In-House Tax Professionals" and Randy Varner presented on "State Tax Controversy – Update on Key Developments and Trends" at TEI's Hybrid 72nd Midyear Conference on June 9, 2022.
- **Anne Loomis, Todd Reinstein, Randy Varner, and Brittany Johnson** presented on "Life Cycle of a Deal:

From Napkin to Financial Statements” for the TEI Richmond Chapter on May 18, 2022.

- **Morgan Klinzing** presented on “Partnership Merger Considerations” as a panelist at the American Bar Association Tax Section on May 13, 2022.
- **Todd Reinstein** presented on “Taxation of Troubled Companies” as a panelist at the D.C. Bar Taxation Community’s 2022 Tax Legislative and Regulatory Update Conference on May 4, 2022.
- **Randy Varner** spoke on “State Tax Considerations for Investment Funds and Managers: The Growing Impact of Economic Nexus and Market-Based Sourcing Rules” for FEA on May 3, 2022.
- **Steven Bortnick** and **Morgan Klinzing** presented on “[Sovereign Wealth Funds: Important Investors with Important Issues](#)” for FEA on March 17, 2022.

PUBLICATIONS

- **Todd Reinstein** was quoted in *Law360*’s article, “Keeping NOL Safe Harbor Could Aid Troubled Startups” on June 9, 2022.
- **Anne Loomis** authored “[IRS Creates Fast-Track Pilot Program for Corporate Private Letter Rulings](#)” on February 17, 2022.
- **Todd Reinstein** authored “IRS Issues New Section 382 PLR on Applying Actual Knowledge Exception” on February 17, 2022.
- **Randy Varner** wrote “Trends to Watch in State and Local Tax” on February 17, 2022.

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