

Stephen A. Beck

Partner

Tel: (214) 744-3700
Fax: (214) 747-3732
sbeck@meadowscollier.com

PRACTICE AREAS

Income Tax and Business Planning
Corporate
State Tax Planning and Litigation
Real Estate



Biography

Mr. Beck is a Board Certified tax attorney who provides Federal income tax and Texas franchise and sales tax advice to businesses of all types and sizes, including Subchapter C corporations, Subchapter S corporations, partnerships, limited liability companies, and entities disregarded for Federal income tax purposes. He advises on tax issues arising during all phases of business operations, including formation, restructuring of ownership interests, acquisitions, dispositions, mergers, consolidations, liquidations, international transactions, issuance of deferred and equity compensation, and business succession planning. He represents businesses and entrepreneurs in a broad range of industries, including professional services, manufacturing, technology, oil and gas, and real estate. He also advises tax-exempt organizations under Section 501 of the Internal Revenue Code.

Mr. Beck also represents individuals, businesses, and estates in tax related controversy matters, including Internal Revenue Service audits, appeals, and litigation in Federal courts, including the U.S. Tax Court and Fifth Circuit Court of Appeals. He also represents taxpayers in franchise and sales tax disputes with the Texas Comptroller of Public Accounts.

Mr. Beck is Board Certified in Tax Law by the Texas Board of Legal Specialization. He has served as an adjunct law professor at the Southern Methodist University Dedman School of Law, where he taught Corporate Income Taxation. He has also served as the Chairperson of the Dallas Bar Association's Peer Assistance Committee and Co-Chair of the Texas Bar Tax Section Partnership and Real Estate Committee. Mr. Beck was admitted to practice in Texas in 1998 and the District of Columbia in 2000.

Education

- Georgetown University School of Law, LL.M. in Taxation, *with distinction*, 2000
- University of Texas School of Law, J.D., *with honors*, 1998
- University of Texas, B.B.A., *with high honors*, 1995

Memberships

- American Bar Association
 - Member, Tax Section

- State Bar of Texas
 - Former Co-Chair, Partnerships and Real Estate Committee of the Tax Section
 - Member, Tax Section
- Dallas Bar Association
 - Former Chairman and Active Member, Peer Assistance Committee
 - Member, Tax Section
- Bar Association of the District of Columbia

Teaching

- Dedman School of Law, Southern Methodist University, Adjunct Law Professor, Corporate Income Taxation, Spring 2009, 2010, 2012 and 2013

Admissions

- Bar Association of the District of Columbia

Honors and Awards

The Best Lawyers in America®, 2021-2024, Tax Law

Best Lawyers in Dallas, D Magazine, 2022-2023 (Tax: General)

Experience

Representative Cases

- *U.S. v. Marshall*, 798 F.3d 296, 315-21 (5th Cir. 2015) (Majority Opinion by Judge Owen)

Prior Experience:

- Advised:
 - Federal income tax effects and negotiated terms of \$65 million sale of manufacturing company.
 - Federal income tax effects of receipt of \$23 million of proceeds from the transfer and infringement of patent rights.
 - U.S. person on the ownership structure of interests in foreign entities conducting oil and gas exploration and development in Africa.
 - Large law firm in connection with the Federal income tax effects of modifying the terms of its debt obligations to retired partners and third party lenders.
 - Tax-free "split-offs" under I.R.C. sec. 355 of S corporations owning and operating restaurant franchises and commercial rental properties.
 - Service and technology companies in connection with implementing nonqualified deferred compensation plans, including share appreciation right and phantom unit arrangements.
 - Executives on Federal income tax effects and negotiated terms of nonqualified deferred compensation benefits.
 - Federal income tax effects, negotiated terms and prepared transaction documents in connection with sale of an air charter business.
 - Federal income tax effects of theft losses, including losses endured in connection with Ponzi schemes.
 - Federal income tax consequences of proposed tax-free like-kind exchanges of real property.
- Prepared:

- Appellate briefs for case in U.S. Fifth Circuit Court of Appeals involving donee interest liability for unpaid gift tax resulting in refund to client of approximately \$75 million.
- Prepared Buy-Sell Agreement for attorney partners of a limited liability partnership.
- Provided:
 - Federal tax opinion on the sale of personal goodwill for a business founder/owner in the technology sector.
 - Federal tax opinion on the timing of the closing of a sale of S corporation stock in for a shareholder in the insurance industry.
 - Prepared employment and independent contractor agreements and advised on the Federal income tax effects of particular worker arrangements.
 - Prepared organizational documents and tax-exempt status applications for several non-profit corporations.
- Negotiated:
 - Terms and prepared transaction documents in connection with attorney's and architect's withdrawal from their respective partnerships.
 - Settlement of IRS matter involving \$18 million of disputed charitable contribution deductions and \$6 million of disputed worthless stock deductions.
 - Settlement of IRS examination resulting in savings of approximately \$2.5 million for U.S. Congressional candidate.
- Assisted:
 - In representing prominent law firm in defending the propriety of Federal tax opinions, which were examined by the trustee in a nationally publicized bankruptcy as well as the Joint Committee on Taxation.
 - Successfully defending client who was facing a prison term and multi-million dollar fines in connection with Internal Revenue Service criminal investigation.

Publications

- Co-Author, *"The New Partnership Audit Rules-Turning the Taxation of Partnerships Upside Down,"* *Petroleum Accounting and Financial Management Journal*, Summer 2016.
- *"Income Tax Acetaminophen - How Recent IRS Guidance Can Alleviate the Pain Caused by Madoff and Other Ponzi Schemes,"* *Today's CPA*, September/October 2009.
- *"The Section 199A Final Regulations - Important Clarifications, Part 1,"* *Today's CPA*, July/August 2019.
- *"The Section 199A Final Regulations - Important Clarifications, Part 2,"* *Today's CPA*, January/February 2020.

Presentation

- August 21, 2023 - TXCPA Summit 2023

Archived Speeches

- December 15, 2020 - TXCPA CPE Expo Webcast
- November 22, 2019 - Central Texas Chapter/TXCPA Seminar
- November 5, 2019 - 21st Annual Meadows Collier Tax Conference
- August 1-2, 2019 - TexasBarCLE 37th Annual Advanced Tax Law Course cosponsored by the Tax Section of the State Bar of Texas
- May 22, 2019 - Taxation and Estate Planning Update for Professionals
- May 14, 2019 - Taxation and Estate Planning Update for Professionals

- November 1, 2018 - 2018 Meadows Collier Annual Tax Conference
- October 1, 2018 - Dallas Bar Association Tax Section
- April 3, 2018 - DBA Corporate Counsel Section - The Tax Cuts and Jobs Act
- March 22, 2018 - Litigation Section of the Dallas Area Paralegal Association
- February 20, 2018 - DBA International Tax Law Section
- December 7, 2017 - 2017 TSCPA CPE Expo- Houston
- December 4, 2017 - 2017 TSCPA CPE Expo
- November 29, 2017 - TSCPA CPE Expo
- August 23, 2017 - Panhandle Chapter/TSCPA Tax Institute - Aug. 23, 2017
- February 3, 2017 - State Bar of Texas Tax Law in a Day
- December 8, 2016 - TSCPA CPE Expo- San Antonio
- December 5, 2016 - TSCPA CPE Expo- Arlington
- December 1, 2016 - TSCPA CPE Expo- Houston
- October 25, 2016 - 18th Annual Meadows Collier Tax Conference
- August 17, 2016 - Dallas Bar Association Health Law Section
- November 3, 2015 - 2015 Meadows Collier Taxation Conference
- August 26, 2015 - "Judicial Update"
- May 29, 2014 - "Let's Make a Deal - Federal and Texas Tax Issues Involved in Purchasing and Selling Businesses"
- March 12, 2014 - "Tax Considerations in Becoming a Partner in a Law Firm"
- January 14, 2014 - "Federal and State Tax Considerations for the Sale or Acquisition of a Business in a Rebounding Economy"
- November 4-5, 2010 - "Federal income Tax Update--Planning in an Uncertain Climate" "Estate Planning Update and Year-End Planning" "Evolution of an IRS Fraud Case"
- August 25, 2010 - "Tax Planning for Financially Distressed Partnerships" "Divorce and Separation: A Taxing Experience" "Federal Income Tax Update"
- May 27, 2009 - Annual Taxation and Estate Planning Update for Professionals Seminar sponsored by Texas Bank and Trust-Tyler
- May 20, 2009 - Annual Taxation and Estate Planning Update for Professionals Seminar sponsored by Texas Bank and Trust-Longview
- May 7, 2009 - "Tax Law Changes of the Stimulus Bill"

Blog

- May 10, 2018 - Limited Time Offer! Foreign Taxpayers Have Limited Time to Claim Refunds for U.S. Income Tax Paid on the Disposition of Ownership Interests in U.S. Entities Taxed as Partnerships
The recent legislation commonly called the "Tax Cuts and Jobs Act" (the "TCJA") made many significant changes to the U.S. income taxation of international investments.
- November 27, 2017 - Buckle Your Seat Belts - Major Changes to International Taxation Currently Pending in Congress.
As of the date of this article, the U.S. Congress is considering two different legislative proposals that would cause significant changes to the U.S. income taxation of international business activities and investments. The U.S. House of Representatives passed on November 16, 2017, H.R. 1, the "Tax Cuts and Jobs Act" (the "House Proposal") while the Senate Finance Committee passed, on that same date, its own proposal (the "Senate Proposal"). The Senate and House proposals are generally consistent regarding the nature of the

changes that would be made to the U.S. income tax laws affecting international transactions, but there are subtle differences that will need to be resolved as the legislative process moves forward to achieve passage of final legislation. This article does not attempt to summarize every change to the U.S. international tax laws that would result under the pending House and Senate proposals. Rather, this article summarizes five categories of international tax reforms under the pending proposals that would be broadly applicable and thus are important to monitor as the legislative process advances. In addition, this article does not discuss every nuance or detail relating to the pending proposals discussed herein. Instead, this article is intended to provide a high level overview of the pending proposals so that readers will be alerted and can look further into the proposals potentially impacting them.

- May 31, 2017 - It's a Trap! Beware the Anti-Toggle Rule under I.R.C. sec. 409A

Companies often utilize deferred compensation arrangements to incentivize their workers to use their best efforts to grow the value of those companies. If a company provides a worker with a legally binding right to payment that will be received in a future year, that arrangement generally constitutes a nonqualified deferred compensation plan. As such, the plan must satisfy all of the requirements under I.R.C. sec. 409A in order to avoid potentially disastrous tax consequences to the worker.

- May 23, 2017 - Golden Opportunities - Maximizing Long-Term Capital Gain Treatment and Deferral of Taxable Gain Recognition from Partnership Sales

It is commonly known that sales of partnerships can give rise to ordinary income (subject to a current maximum tax rate of 39.6%) and long-term capital gain (subject to a current maximum tax rate of 20%). This is true regardless of whether the transaction consists of the partnership's sale of its assets or the partners' sale of their ownership interests in the partnership. Tax professionals can assist their clients in maximizing the long-term capital gain recognized from a sale of a partnership by negotiating an allocation of more of the sales proceeds to long-term capital gain assets and less of the sales proceeds to "hot assets," such as inventory, accounts receivables, and depreciation recapture.

- May 9, 2016 - Taxpayers Beware! Partnerships Should Consider Amending Their Agreements Now to Address Significant Issues Resulting From the New Partnership Audit Rules

As discussed in a recent blog post, a new partnership audit regime that was enacted as part of the Bipartisan Budget Act of 2015 (the "Partnership Audit Rules") will have significant, wide ranging effects on the taxation of income from partnerships. Under the Partnership Audit Rules, the general result (the "General Method") is that the tax liability resulting from an Internal Revenue Service ("IRS") audit adjustment to a partnership's income will generally be assessed and collected directly from the partnership. See I.R.C. sec. 6221 (2018). This is obviously a significant departure from the result under the partnership audit rules that are currently in place through year-end 2017 (the "TEFRA Rules"), under which an adjustment is made at the partnership level, but the resulting tax liability is assessed and collected from the partners of the partnership.

- May 3, 2016 - Texas Bar Tax Section Issues Comments Regarding New Partnership Audit Rules

On April 26, 2016, the Tax Section of the State Bar of Texas ("Tax Section") submitted to the Internal Revenue Service comments (the "Comments") regarding the implementation of the new partnership audit regime (the "Partnership Audit Rules") that was enacted as part of the Bipartisan Budget Act of 2015. Stephen Beck of Meadows Collier participated as a principal drafter of the Comments in his capacity as Vice Chair of the Tax Section's Partnerships and Real Estate Committee.

- March 14, 2016 - IRS Report Shows Increase in Partnership and S Corporation Examinations

The Internal Revenue Service ("IRS") recently issued its Fiscal Year 2015 Enforcement and Service Results report (the "Report"), which contains interesting information, particularly for owners of Subchapter K partnerships and Subchapter S corporations.

- February 25, 2016 - Taxpayers Beware! Fifth Circuit Appellate Court Applies the "Self-Rental Rule" to Preclude Taxpayers from Applying Passive Loss Against Rental Income
Earlier this month, the Fifth Circuit Court of Appeals had occasion to decide the applicability of the "self-rental rule" in Treas. Reg. sec. 1.469-2(f)(6) in the context of a Subchapter S corporation renting commercial real estate to its affiliated Subchapter C corporation. See *Williams v. Comm'r*, 2016 BL 28240, 117 AFTR 2d ¶ 2016-393 (5th Cir. 2016). The court's decision is notable because the Fifth Circuit essentially ignored the S corporation's involvement in the transaction in applying the "self-rental rule."
- February 23, 2016 - Golden Opportunities - Personal Goodwill Can Reduce Federal Income Tax Liability from Sales of Businesses
In the right circumstances, a taxpayer may be able to significantly reduce his/her federal income tax liability from the sale of his/her business by establishing that the buyer separately bargained for the purchase of that taxpayer's personally-owned property (referred to herein as "personal goodwill"). This is because a sale of personal goodwill, if respected, would result in only a single taxable event, with the taxable gain potentially subject to the beneficial long-term capital gain tax rate (with a current maximum marginal tax rate of 20%).
- February 10, 2016 - It's a Trap! Taxable Property Contributions to Partnerships with Related Foreign Partners - Treasury Intends to Promulgate and Retroactively Apply Regulations
Conventional wisdom is that the U.S. income taxation of partnerships is advantageous compared to the taxation of corporations for many reasons, one of which is that it is often easier to contribute "built-in" gain property to a partnership without triggering taxation of that gain. Nevertheless, some property contributions to partnerships are treated as taxable transactions.
- June 10, 2015 - IRS Clarifies the Year in Which a Theft Loss is Sustained
IRS Chief Counsel Advice 201511018 provides helpful clarification regarding the tax year in which a taxpayer is eligible to deduct a theft loss incurred in connection with a Ponzi scheme. Before addressing the new ground covered by CCA 201511018, however, this blog post briefly summarizes the prior guidance regarding the timing of deductibility of Ponzi theft losses.