

## David Rosenbloom Comments on IRS Releasing Final Regulations on Gain Recognition Agreements

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*Worldwide Tax Daily*

*Worldwide Tax Daily* quoted H. David Rosenbloom concerning the IRS releasing final and temporary regulations on gain recognition agreements (GRAs). For the complete article, please visit *Worldwide Tax Daily's* website (subscription required).

*Excerpt taken from the article "IRS Releases Final Regs on Gain Recognition Agreements" by Andrew Velarde for Worldwide Tax Daily.*

Before the issuance of the proposed regs, the previous standard was harder to meet, in addition to not being presided over by the IRS National Office, H. David Rosenbloom of Caplin & Drysdale said, noting that "the law before these regulations was out of sync with the general rules that apply."

*"This particular area was being judged more harshly than very similar situations in which just as much money might be involved that went to the National Office," Rosenbloom said. "This regulation seems to conform, to a much greater extent, the rules applicable to these GRA situations to what's going on in the National Office."*

### **Extension of Willfulness Relief**

While practitioners had generally been receptive to the proposed regs, which offer a more sensible way to correct foot faults in a procedurally complex reporting process than the old rule, several recommended changes. In comments submitted on the proposed regs, Caplin & Drysdale took issue with the exclusively prospective application of the regs, arguing that it was unnecessarily restrictive and could lead to disparate treatment of similarly situated taxpayers.

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*Rosenbloom, who coauthored the Caplin & Drysdale comment seeking changes to the exclusively prospective application of the regs, said the allowance of some retroactivity in the final regs was "clearly a good thing."*

*"I can't see any reason why you would draw a time-based line. If you are going to apply the law, you apply the law across the board," Rosenbloom said. "If you're going to change the standard, it doesn't seem to me to be rational to say, 'Well, we're only going to change it for the future and not going to change it for other things that are still live.'"*

### **Attorneys**

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