WINSTON & STRAWN LLP

SPEAKING ENGAGEMENT

Winston & Strawn Partners Rachel Ingwer and Jeff Rubinger Speak at the 2024 International Tax Conference

JANUARY 18, 2024

Winston partners Rachel Ingwer and Jeff Rubinger spoke at the International Tax Conference co-hosted by the FICPA and the Tax Section of The Florida Bar.

Rachel and Jeff discussed the basics of the Section 1202 qualified small business stock exclusion. Then they delved into the inbound and outbound tax planning opportunities that may be available with Section 1202, in particular, they discussed how Section 1202 can be utilized when structuring outbound investments in CFCs and the tax-efficient repatriation of profits earned abroad, as well as inbound investments where Section 1202 trumps the FIRPTA provisions.

KEY TAKEAWAYS FROM THE “CROSS-BORDER TAX PLANNING WITH THE QUALIFIED SMALL BUSINESS STOCK EXCLUSION” PANEL

- Section 1202’s qualified small business stock (QSBS) rules can result in significant savings to non-corporate taxpayers. If a single taxpayer owns all of the stock of a qualified small business, for example, the exclusion can be up to $500M ($50M investment x 10).
- In the outbound context, Section 1202 can be paired with other reduced rates applicable to C corporations to achieve significant tax savings, assuming the transaction is carefully structured to take into account all of the Section 1202 requirements.
- The QSBS rules may also benefit non-U.S. investors who due to unique circumstances are subject to tax on their U.S.-source capital gains since the benefits are not limited to U.S. persons.

1 Min Read

Speakers

Rachel Ingwer

Jeffrey Rubinger

Related Capabilities

Tax

Related Professionals

Rachel Ingwer

Jeffrey Rubinger