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"New Exec Could Help IRS Efficiently Tamp Down Tax Schemes"

Phil Karter quoted in "New Exec Could Help IRS Efficiently Tamp Down Tax Schemes"

Law360

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Chamberlain Shareholder Phil Karter is quoted in a Law360 article titled "New Exec Could Help IRS Efficiently Tamp Down Tax Schemes." Karter discusses the IRS' new role to crack down on tax abuse.

While it may be in the public interest for the IRS to come up with a more organized and efficient way to crack down on tax abuse, the effectiveness of attempts to do so is an open question, according to Philip Karter, a tax controversy attorney with Chamberlain Hrdlicka. Furthermore, he said, standardizing enforcement in fact-dependent matters is a slippery slope that could eventually ensnare legitimate practices.

There are people who get caught up in this that should not be, he said.

Sometimes, a centralized, coordinated approach to enforcing tax schemes can introduce complications, Karter said. Take the microcaptive settlement program, which has run into issues over the need to get signatures from promoters of the captive arrangements on information sharing agreements and closing agreements, which isn't always possible. Karter said he has heard about the problem from other practitioners and IRS agents. The signature requirement may have been well-intentioned, but instead of resulting in consistent, coordinated enforcement, it's delivering delay and inefficiency.

There are a number of these settlements that are being held up in limbo, because of a practical problem that doesn't really seem to make a whole lot of sense, Karter said. Sometimes centralized coordination that gets too granular to the point where agents on the front lines are hamstrung to exercise their independent judgment in fact-dependent cases can end up promoting inefficiency and unfairness.

To view the article, [click here](#).