



Pat Smith Quoted in Tax Notes Re: Chamber of Commerce Throws Door Open for More Reg Challenges

Tax Notes

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Ivins attorney Pat Smith was quoted in *Tax Notes* on the decision by a federal district court in Texas invalidating the IRS's serial inversion regulation. *Chamber of Commerce Throws Door Open for More Reg Challenges*.

Patrick J. Smith of Ivins, Phillips & Barker Chtd. praised the court for its proper reading of the section 7805(e) references, which were "intended to restrict the use of temporary regulations, rather than bless them."

Smith noted that although the three-year sunset on temporary regs under section 7805(e) may partially blunt the effect of the decision on other temporary regs, that limitation would not sweep up temporary rules that were in place before the sunset was enacted.

According to Smith, *Chamber of Commerce* represents the first case to give proper effect to *Direct Marketing*.

"The *Florida Bankers* decision almost ignored the *Direct Marketing* decision, in terms of citing the scope of the Anti-Injunction Act. It really applied the view of the Anti-Injunction Act that had been prevalent under the 1974 Supreme Court decisions," Smith said, noting *Direct Marketing* provided a much narrower interpretation for what was barred by the AIA. "Clearly, this case is going to be viewed as very significant on that ground." He added that the decision to file the case in the Western District of Texas, rather than the more typical District of Columbia, was prompted in part by the taxpayer-unfriendly precedent set in *Florida Bankers*.