



Contingent Purchase Price, Contingent Liabilities and Indemnities in Taxable Acquisitions

PRACTICE AREAS

Tax

Tax Controversies

William and Mary Tax Conference

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November 6, 2014

Williamsburg, Virginia

Business acquisitions often have loose ends. Part of the purchase price may be contingent, e.g., an earn-out, a contingent value right, or an escrow subject to later developments. In addition, contingent liabilities (whether retained by the seller or assumed by the buyer) must be taken into account. The panel will discuss the tax treatment of these loose ends to sellers and buyers, focusing on taxable acquisitions of assets, partnership interests or stock (including stock acquisitions subject to section 338(h)(10) or section 336(e)).

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