



## Stephen P. Kranz

Partner

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Stephen (Steve) P. Kranz is a tax lawyer who solves tax problems differently. Over the course of his extensive career, Steve has acquired specific skills and developed a unique approach that helps clients develop and implement holistic solutions to all varieties of tax problems. He combines strategic thinking with effective skills for the courtroom, the statehouse and the conference room.

Steve helps clients prevent and resolve tax problems throughout their life cycle, starting with tax planning, compliance, financial statement implication analysis, audit defense and litigation, legislative monitoring and advocacy, and the formation and leadership of taxpayer coalitions. Steve developed many of these techniques as a litigator for the US Department of Justice, Tax Division, as chief counsel for the District of Columbia's Office of Tax and Revenue, and further refined them during his tenure as general counsel for the Council on State Taxation (COST).

Today, Steve practices at the forefront of state and local tax issues, including developments in the world of cloud computing and digital goods and services. He helps clients understand tax threats and opportunities, and develop holistic solutions, no matter the tax issues or jurisdiction. He also brings this same skill set to the highly challenging world of unclaimed property.

Steve represents Fortune 100 companies in litigation while working to address the larger tax policy questions through state legislatures, the US Congress, the National Conference of State Legislatures, the National Governors Association, the Multistate Tax Commission and the Streamlined Sales Tax Governing Board. His background has taught him that standalone litigation is not always the most efficient manner of solving a tax problem or preventing its spread - thus, he often works to address problems by taking advantage of tax policy points of entry offered by state and local governments.

Steve has authored articles for professional publications, speaks at national conferences and is interviewed frequently by journalists covering state and local tax developments. On March 12, 2014, he appeared before the US House Judiciary Committee as an expert on alternative approaches to the Internet Sales Tax issues, and has appeared in a similar capacity before other government agencies. Steve serves as outside counsel on state tax and unclaimed property matters for the Entertainment Software Association, the National Retail Federation, the Retail Industry Leaders Association and CompTIA.

In his spare time, Steve enjoys herding cattle, mending fences and working with power tools. He drives a four-door Dodge Ram pickup and operates a 30-inch Craftsman snow blower when needed. Steve has found his experience in all of these activities indispensable to his professional life.

## RESULTS

- On behalf of Microsoft Corporation, won the pivotal case in the District of Columbia challenging the jurisdiction's transfer pricing audit methodology

- On behalf of a Firm client, obtained a complete settlement concession from the District of Columbia resulting in zero additional tax due on a substantial transfer pricing assessment
- On behalf of a coalition of Fortune 50 clients, spearheaded termination of a controversial Uniform Law Commission, Uniform Division of Income for Tax Purposes Act (UDITPA) revision project
- On behalf of Shell Oil Company, ExxonMobil Oil Corporation and Hess Corporation, obtained a ruling of first impression that non-mutual collateral estoppel applied to the District's taxing authority
- On behalf of Sunbelt Beverage Company, LLC, won a case at the DC Court of Appeals holding that a standard statute of limitation applies, limiting an audit even if the tax payer filed the wrong return
- On behalf of a coalition, routinely works to block legislation seeking to impose sales tax on digital goods, and advances legislation providing exemption from tax for such goods and services
- On behalf of a Firm client, won a case asserting a taxpayer's right to flow-up factors from pass-through entities in calculating DC taxable income
- Successfully supported adoption of a resolution by the National Conference of State Legislatures opposing state use of auditors paid on a contingent fee basis

## RECOGNITION

- *State Tax Notes* 2011, Top 10 Tax Lawyers and Top 10 individuals who influenced tax policy and practice
- *The Legal 500* United States 2018
- *Tax Controversy Leader, International Tax Review* 2016 and 2017

## COMMUNITY

- Business Advisory Council, Streamlined Sales Tax Governing Board, former president
- District of Columbia Bar, State and Tax Committee, member and former chair
- Tax Foundation, board of directors

## CREDENTIALS

### Education

- Drake University Law School, JD, with honors, Order of the Coif, 1992
- University of North Dakota, BA, *magna cum laude*, 1989

### Admissions

- District of Columbia
- Minnesota
- North Dakota