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FIRM NEWS

# Ronni Davidowitz, Head of the New York Private Wealth Practice, Quoted in *Investment News* on Taxation of Stock Donations

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Ronni Davidowitz, head of the New York Private Wealth practice, spoke with *Investment News* regarding how to avoid capital gains taxes when donating shares of a company undergoing a corporate inversion. United States-based companies have begun trying to duck corporate taxes as high as 35 percent stateside by expatriating to foreign countries; such inversions tend to result in higher tax bills for shareholders, however, as once a deal goes through, an investor with shares of the US-based company is involuntarily swapping them for shares of the new foreign company, triggering a capital gains tax. While financial advisors suggest potentially donating the shares to charitable organizations to mitigate the tax, when to make the gift remains a crucial consideration. As Ronni explained, "The problem is that if you have a deal in the offing, you're down certain paths and the capital gains realization will still be visited on the donor." ("Timing Charitable Gifts to Avoid an Inversion's Tax Bite," August 12, 2014)

## CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.

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