

Mergers and Acquisitions Tax Services



Have you incurred significant costs in connection with a merger, acquisition or divestiture?

Are you maximizing the income tax benefits in connection with transaction costs?

Transaction Cost Analysis

Realizing maximum benefit through clear evaluation

Private equity funds, strategic acquirers and targets often incur significant expenses in connection with a merger and acquisition transaction. It is important to the parties involved to receive tax deductions for transaction costs. The determination of which party receives the benefit (either current or future deductions) is not always as clear as the parties may first believe. Performing a transaction cost analysis (TCA) can provide taxpayers with answers to these difficult questions, and ensure realization of the maximum income tax benefit.

Our national mergers and acquisitions tax practice offers a comprehensive and structured approach to analyzing the appropriate federal income tax treatment of transaction costs.

Maximize value, minimize risk

A TCA involves a thorough analysis of activities performed and expenses incurred in connection with exploring and entering into a merger or acquisition transaction. The study results in the determination and proper documentation of the appropriate federal income tax treatment of transaction costs, which are often the subject of Internal Revenue Service (IRS) scrutiny. A TCA study helps to:

- Identify and determine application of available IRS guidance and safe harbors
- Categorize costs as deductible, amortizable or capitalizable
- Determine which party receives the benefit of the identified income tax benefit
- Establish documentation to support deductions

The experience you need, when you need it

McGladrey's TCA services provide both buyers and sellers with opportunities to maximize the value of tax deductions for transaction costs through careful pre-transaction planning and post-transaction analysis. Our experienced professionals have the resources to help you make transaction decisions with confidence.

That's the power of McGladrey. The power of being understood.SM

888.811.1023
www.mcgladrey.com

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