

# BLANKROME

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Tax

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photo coming soon

Phil serves as of counsel in Blank Rome's national State + Local Tax ("SALT") practice where he brings more than 42 years of experience providing tax advice to many of the world's largest corporations across multiple industry groups, including industrial products, retail, consumer goods, aerospace, healthcare, entertainment, and utilities. He has handled every major aspect of corporate SALT matters, with a primary focus on corporate income, property, payroll, sales and use, gross receipts, and other transaction-based taxes. He has consulted on tax controversies in all 50 U.S. states and the District of Columbia.

In addition to his work in assisting corporations with tax advice and multistate and multitax planning, he has served as an expert witness and technical adviser in numerous disputes involving SALT issues before federal and state courts. He has helped craft legislative and administrative tax proposals, testified before government agencies and officials, and served on prominent industry and state and local tax reform commissions.

Before joining Blank Rome, Phil served as SALT counsel for an Am Law 100 firm and, prior to that role, was a partner in the National Tax Department of Ernst & Young where he founded and chaired its global SALT practice. During this time, he was appointed to the Internal Revenue Service ("IRS") Advisory Council, which offers recommendations on policies, programs, and procedures as well as tax administration issues to the IRS Commissioner. He is the first and only SALT professional appointed by the IRS to chair its full Advisory Council.

Outside his legal practice, Phil is a professor and director of the SALT Certificate Program within the Graduate Tax Department of the Georgetown University Law Center. He notably focuses on subnational taxation of multijurisdictional enterprises

and teaches Federal Income Taxation of Partners and Partnerships. He also recently served as a visiting professor of law at the Hebrew University of Jerusalem where he taught U.S. Tax Systems, Limitations, and Policies.

At Georgetown Law, Phil has taught courses dealing with state income and sales and use taxes, as well as a comparative laws seminar contrasting U.S. subnational taxes to other global tax regimes. He frequently serves as a faculty advisor to graduate tax students who elect to propose their own unique class and write a paper on some aspect of U.S. federalism and balance of taxing powers between national and state government. Currently, he also is teaching a Survey of SALT course to J.D. and LL.M. students not enrolled in the SALT Certificate Program, as well as a SALT course addressing major subnational levies other than income and sales and use taxes imposed on multijurisdictional enterprises, and a Federal Limitations on SALT course.

For the last 40 years, Phil has chaired and moderated Georgetown Law's Advanced State and Local Tax Institute, and, until recently, served as a faculty adviser to its law journals, *The Tax Lawyer* and *The State and Local Tax Lawyer*, where he has published a number of topical articles dealing with SALT issues and their role in U.S. federalism, as well as the history of SALT within the American Bar Association.

## Outside The Firm

Phil enjoys spending time with his family/grandchildren, the outdoors, reading, studying classical music, and restoring classic cars.

## Select Engagements

- Represented a nonprofit financial services group operating throughout the Americas in a business and occupation (“B&O”) tax controversy before the Washington Superior Court. The settled controversy raised novel state statutory and federal constitutional issues involving, among other things, the B&O tax base and sourcing rules; and, their pyramiding dynamics when applied against transactions between banks and non-banks dealing with their customers that included regulated and non-regulated mutual funds and other types of non-financial, albeit regulated, intermediaries.
- Represented an open-end investment fund incorporated in Germany in a franchise tax controversy with the Office of Tax & Revenue before the District of Columbia Office of Administrative Hearings. The controversy raised novel issues involving the taxation of a U.S. limited partnership interest owned by a Gesellschaft mit beschränkter Haftung (GmbH), a German limited liability company organized and regulated as an investment company within the meaning of the “investmentgesetz” (commonly referred to as “InvG”)—the German Investment Act.
- Represented a U.S.-based global investment management company, a leader in building business logistics, real estate, infrastructure, and

technologies with real estate and private equity funds, in identifying and establishing a tax efficient acquisition and operating structure for it and foreign persons as defined by the Defense Production Act of 1950, which required Committee of Foreign Investment in the United States approval. This multibillion-dollar acquisition involved approximately 300 properties requiring a tax efficient transactional and post-transactional operating structure aligning hundreds of different taxing regimes as applied to the key investors located without and within the United States and more than 20 U.S. states.

- Represented a multinational automotive manufacturer in a transnational and multistate transaction requiring analysis of a multitude of U.S. subnational taxes. As part of the overall transactional analysis, the primary focus was to analyze key market levies to identify and eliminate potential double-tax consequences via optional tax efficient structures available to the parties. Additionally verified that there were no subnational tax consequences that would “kill” the deal, given at that time the preliminary analysis had only considered international and federal income tax consequences.
- Consultations with a multinational conglomerate in the aerospace and defense industry regarding sales factor reporting methodologies, and proposed entity-rationalization and transactional changes in response to changing global tax regimes.
- Consult on the taxability of a healthcare joint venture between non-proprietary and proprietary hospitals. The analysis and representation involved various transactional taxes and multiple states (e.g., CT, FL, ID, NJ, TX), resulting in the identification of tax savings based on aliquot ownership interests of the enterprise owners.
- Represented a development corporation in Maryland on its tax review of an alternate acquisition structure intended to improve its financial statement metrics. During the course of the review, it was determined that the adoption of the proposed transactional structure would trigger substantial double-taxation because of the state’s controlling interest transfer tax. Once the problem was identified, various tax-free restructuring involving federal income tax and state controlling interest transfer tax options were identified.
- Consult on the transactional characterization and consequent taxability for U.S. subnational tax purposes of various streaming services provided by a U.S.-headquartered media services provider and production company. The analysis provides a portion of the issues identified in counsel’s broader work and teachings in e-commerce and the taxation of the digital/digitized economy.
- Consult with outside counsel representing a Canadian global plastics and chemical company. Consultations involved assisting outside counsel with its analysis of certain tax issues implicated by matters it was litigating in the U.S. District Court for the District of Delaware.
- Represented a U.S.-based global consulting firm before the Multistate Tax Commission (“MTC”) in securing a voluntary disclosure agreement between the taxpayer and the District of Columbia. The operational structure of the partnership consulting firm raised questions of first impression concerning the appropriate application of the District’s unincorporated business tax.

Extensive litigation and attorney's fees were avoided, and settlement eliminating substantial back taxes and penalties abated, through use of the MTC settlement vehicle.

- Represented a financial institution operating as an instrumentality of the federal government. Resolved and secured letter rulings from Virginia and District of Columbia taxing authorities regarding the financial institution's scope of permissible diplomatic levels of exemption, types of permitted purchases and their state-specific rules, including streamlined sales tax agreements, pertaining to subnational sales tax and other similarly imposed taxes pursuant to the U.S. State Department's Office of Foreign Missions.
- Consult with outside counsel representing a Swiss-based global leader in the building materials industry. Consultations involved assisting outside counsel with its analysis and representations relating to claims and defenses in litigation before the Montana State Tax Appeals Board concerning application of the state's unitary tax assessment to the taxpayer's worldwide operations.
- Represented a U.S.-based engineering firm, operating globally in the security, defense, intelligence, technology, and critical infrastructure industry, in an informal conference before the Review and Conference Section of the District of Columbia Audit Division. In the context of a non-domiciliary realizing long-term capital gains and the District's combined unitary reporting rules, the settled corporate franchise tax refund issues dealt with matters implicating nexus, distortion, statutory construction, and U.S. Constitutional limitations on the District's powers to tax.

## **Admissions**

- District of Columbia
- Illinois

## **Memberships**

- American Bar Association
- American Institute of Certified Public Accountants

## **Education**

- Georgetown University Law Center, LLM
- Benedictine University, BA
- Northern Illinois University, JD

## **Recognitions**

- 2012, "Special Recognition Award" for extraordinary contributions in the field of state and local taxation, awarded by the Institute of Professionals in Taxation
- 2011, "Lifetime Achievement Award," awarded by Ernst & Young LLP State

and Local Tax

## Professional Activities

Phil currently serves as both chair and member of the Advisory Board of the Georgetown University Law Center, National Institute on State and Local Taxation. He is also a member of the Advisory Board of New York University, State and Local Tax Institute.

He has previously held various chairmanships and roles at the following associations and organizations:

- American Bar Association, Tax Section, Chair, Committee on State and Local Taxation
- Legal Tax Advisory Board, Wolters Kluwer
- State Tax Advisory Board—Commerce Clearing House, Bureau of National Affairs, Panel Publications, Journal of Multistate Taxation, and Warren Gorham & Lamont
- Chair, State Tax Committee, Greater Washington Society of CPAs
- Chair, Subcommittee on Sales, Excise, and Miscellaneous Taxes, Chicago Bar Association
- Chair, Tax Committee, Chicagoland Chamber of Commerce

He has also presented at various associations, councils, and law centers on tax matters, notably for:

- Council on State Taxation
- Hartman State and Local Tax Institute, founded in memory of Paul Hartman, Vanderbilt University Law School
- Tax Executives Institute: annual SALT school, as well as its annual and national meetings, and local chapters throughout the United States
- American Bar Association
- Federal Bar Association
- American Institute of CPAs
- Institute on Property Taxation
- Multistate Tax Commission
- National Council of State Legislators
- National Governors Association
- Federation of Tax Administrators
- California Tax Policy Institute
- Ohio Tax Institute
- Chicago Tax Club
- National Multistate Tax Institute
- DePaul University
- University of North Carolina at Chapel Hill
- Numerous other state bar associations, state CPA societies, and industry-focused tax forums