

In The News

Akerman Partner Michael Bowen Reacts to Massachusetts' View of Capital Gains Tax Ruling

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In May, Michael Bowen, chair of the state and local tax practice in Jacksonville, secured a Supreme Judicial Court ruling on behalf of a Florida company, VAS Holdings & Investments, LLC (VASHI), reversing a lower court finding that the company owed millions of dollars in taxes to the state. The Court agreed with Akerman and the client that Massachusetts had no statutory authority to tax out-of-state gains on a Florida S corporation, as the state's legislature had never extended such a power to its Department of Revenue. According to a *Law360*, the Massachusetts Department of Revenue said Wednesday that the court ruling still left the door open for taxes to apply to out-of-state investors in certain circumstances. Bowen shared his reactions to the state's interpretation of the ruling.

Law360 wrote: "VASHI's counsel, Michael Bowen of Akerman LLP, said the guidance indicates that the department will restrict its application of the ruling as much as it can to the specific facts of the dispute. He added that is in line with how he has seen taxing authorities react to litigation where a taxpayer was successful.

'Their interpretation of the VAS Holdings decision is strict, in the sense that they are limiting their interpretation to that exact holding,' Bowen said."

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