



Tax consulting services for debt restructurings

M&A Tax



KPMG LLP's (KPMG) Restructuring Transactions Group, a specialty group within the KPMG Mergers and Acquisitions (M&A) Tax practice, provides tax restructuring services to assist organizations in financial difficulty with tax issues related to reorganizing their capital structure.

Members of the Restructuring Transactions Group have extensive experience advising organizations in large bankruptcy proceedings and working with the Internal Revenue Service (IRS) to obtain favorable tax rulings. We place a particular emphasis on communicating the impacts of complex tax provisions in clear terms, which assists clients with making informed business decisions.



Our services

Our services span all tax aspects of financial restructuring, including assisting clients with:

- Prepare multi-scenario modeling to forecast how tax attributes can offset future income
- Identifying and planning for the potential tax consequences arising in connection with debt modifications, debt cancellations, and negotiated settlements.
- Mitigating potential limitations on the use of net operating losses and other valuable tax attributes.
- Determining the tax cost of asset sales and calculating tax basis in subsidiary entities.
- Understanding the potential tax effects of intercompany reorganizations.
- Determining the potential tax effects of contested income and contested liabilities.

Changing market forces and economic uncertainty can hit any business, causing financial difficulty. A company in this situation may be required to restructure its financial position. These processes can be challenging. A financial restructuring is unfamiliar to many companies and can be highly disruptive.

In a time of crisis, companies need stability and reassurance. This is where KPMG LLP can help.



...so you can focus on running your business

In these challenging times, KPMG can help provide certainty about the potential tax consequences of any financial restructuring and address issues as they arise throughout the process. Leveraging our tax expertise enables you to focus on what matters most—running your business.



The experience of a recognized leader

We have assisted clients through many financial restructurings and large bankruptcies across various industries.

Our services may include requesting rulings from the IRS to provide certainty about how the IRS will treat a proposed transaction. Two of our notable successes include:

- KPMG received the first private letter ruling from the IRS treating built-in cancellation of debt income as reducing net unrealized built-in loss and allowing the application of Internal Revenue Code sections 382(l)(5) and (6) (relating to change of control upon emergence from bankruptcy) to consolidated groups.
- KPMG obtained a recent private letter ruling allowing a reorganization of a corporation in bankruptcy into a newly formed company without the incurrence of either cancellation of debt income or taxable gain.

Contact us

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