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## PRACTICES

[Executive Compensation](#)  
[International Tax](#)  
[Tax Accounting](#)  
[Tax Controversy & Litigation](#)  
[Transactional Tax Planning](#)  
[Transfer Pricing](#)

## EDUCATION

J.D., Boston University School of Law, 2008  
B.A., University of Michigan, 2005

## James R. Gadwood

### MEMBER

Jim Gadwood has a diverse tax practice spanning multiple substantive areas, including federal tax accounting, transfer pricing, the non-deductibility of fines and penalties, and debt-versus-equity determinations. He regularly assists clients with special industry tax issues, including investor-owned utilities, investment funds, and insurance companies. Jim has significant expertise representing taxpayers in connection with IRS examinations, conferences with the IRS Independent Office of Appeals, and requests for advance pricing agreements, changes in accounting method, technical advice memoranda, and private letter rulings. He is admitted to the U.S. Tax Court where he has docketed and successfully resolved several cases on behalf of his clients.

Jim has received various rankings and recognition, including from *Best Lawyers in America* and *Legal 500*, where clients described Jim as a lawyer that combines "knowledge and ability with outstanding customer service and interpersonal, financial, business, and commercial skills." He has been named a "Rising Star" multiple times by both *New York Super Lawyers* and *Washington, DC Super Lawyers*.

Jim regularly counsels clients on federal tax accounting matters, such as the timing of income and expense accruals, deferral of advance payments, accounting method changes, and the clear-reflection-of-income doctrine. He is also a co-author of *Federal Tax Accounting*, a leading tax treatise published by Warren, Gorham, & Lamont.

In the transfer pricing space, Jim's representative matters have involved unilateral and bilateral advance pricing agreements, competent authority requests, intercompany guarantee fees, and cost-sharing arrangements. He is currently working on an advance pricing agreement and competent authority proceeding for a Global Top 10 company and recently concluded one of the few multilateral advance pricing agreements to which the IRS has been a party. In 2021, *International Tax Review* named Jim a "Rising Star" in Americas Transfer Pricing.

Jim's representative controversy matters include representing large corporations in IRS examinations, partnerships in TEFRA examinations, and high-net-worth individuals in audits conducted by the IRS Global High Wealth Industry Group. He has represented taxpayers before the IRS Independent Office of Appeals in the non-docketed, docketed, and early referral contexts. These controversy matters have covered a variety of substantive areas, including management fee waivers, Section 743 basis adjustments, extraterritorial income exclusions, transferee liability, and debt-versus-equity determinations. Jim has also written and presented on the new centralized partnership audit regime that is replacing the TEFRA regime.

Jim is a member of the American Bar Association Tax Section and served as a co-General Reporter at the 2019 International Fiscal Association Congress in London where he presented a major research paper on global implementation of limitations

on interest deductibility following the BEPS Action 4 Report. He also regularly presents at tax conferences hosted by the Tax Executives Institute and organizations focused on the insurance, public utility, and oil and gas industries.

## Representative Engagements

### Tax Controversy

- Obtained a full IRS concession of a cross-border debt-equity issue involving several billion dollars of proposed tax, penalties, and interest.
- Successfully resolved an IRS audit of a cross-border cost sharing arrangement.
- Reduced a proposed assessment relating to transferee liability by millions of dollars.
- Negotiated settlements of multiple IRS audits involving management fee waivers.
- Used the docketed Appeals process to obtain a no-change stipulated decision in a Tax Court case involving IRS assertions of underreported income.
- Negotiated a multi-year settlement with the IRS after filing a motion for summary judgment in a Tax Court case involving the TEFRA statute of limitation.

### Tax Consulting

- Successfully achieved a multilateral advance pricing agreement with the IRS.
- Prepared accounting method change requests regarding revenue recognition, expense recognition, and inventory issues.
- Opined on LIFO inventory and other tax accounting issues.
- Opined on issues involving specified liability losses and the non-deductibility of fines and penalties.

## Rankings and Recognition

- *The Best Lawyers in America*<sup>®</sup>: Litigation and Controversy - Tax, 2020 - 2022
- *International Tax Review*: Rising Stars Awards 2021 Americas, Transfer Pricing, 2021
- *Washington, DC Super Lawyers*<sup>®</sup>: Rising Star, Tax, 2015 - 2016, 2018 - 2019
- DC Bar Capital Pro Bono Honor Roll, 2018
- *Legal 500*: Tax: U.S. Taxes: Contentious, 2016 - 2018, 2021 - 2022
- *Legal 500*: Tax: International Tax, 2017
- *New York Super Lawyers*<sup>®</sup>: Rising Star, Tax, 2015 - 2016

## Affiliations

- Member, American Bar Association, Section of Taxation, Administrative Practice Committee

## **Admissions**

### **STATE ADMISSIONS**

- District of Columbia
- New York
- Massachusetts (inactive)