

Suite 300
1629 K Street, NW
Washington, DC 20006

Contact: Stuart J. Bassin
(o) 202/895-0969
(m) 202/316-8317
SJB@Bassinlawfirm.com

Small business owner files suit challenging validity of new international tax regulations.

Washington, D.C. (January 30, 2019). Monte Silver, an American small business owner has filed a complaint in the United States District Court for the District of Columbia against U.S. Treasury and Internal Revenue Service (IRS). The lawsuit challenges the legality of the recently issued Transition tax regulations as applied to small businesses and their owners. The lawsuit seeks relief for small business owners from the regulations and underlying Transition tax, recently passed as part of the Tax Cut & Jobs Act.

The challenged regulations were issued in mid-January 2019. The lawsuit alleges that the Treasury and the IRS violated the Regulatory Flexibility Act, Paperwork Reduction Act, and Administrative Procedural Act in issuing the regulations. Treasury and the IRS failed to address the unique impact of the regulations and underlying law upon small businesses, as required by law, a particularly egregious in this situation because small businesses were not even the target of the 2017 legislation or the regulations.

“This lawsuit is the culmination of an entire year of grassroots advocacy by hundreds of small business owners,” says Monte Silver, the Plaintiff, small business owner, and attorney whose practice focuses on U.S. taxation. “Treasury and the IRS ignored our efforts when issuing the proposed regulations in August 2018 by wrongly certifying that regulations had no impact on any significant number of small businesses. It was at this stage we realized that a lawsuit would be the only way to enforce our rights.”

“Small businesses are extremely vulnerable to agency regulation”, says Stuart Bassin, attorney of record..... “Federal administrative law provides small business owners with protection from burdensome regulation, and the plaintiffs are suing to vindicate their rights under those laws.”

The situation with Treasury is exacerbated by the fact that worst for several reasons:

- Treasury and the IRS rarely comply with the statutory procedures enacted to protect small businesses, as recently found by the non-partisan GAO.
- Few if any small businesses have the courage, funds, or time to fight the IRS,

“Given the identical and unlawful manner in which Treasury/IRS has recently issued a large number of regulations, I foresee follow-up lawsuits being filed to protect small businesses, starting with the GILTI regulations,” says Silver.

A copy of the complaint is attached. The docket number of the case is 19-cv-247.

The Bassin Law Firm (www.bassinlawfirm.com) is a Washington-based boutique offering the services of a leading tax and commercial dispute expert with 25 years of experience and success in high stakes litigation and other controversies. This release does not contain legal advice and may not be relied upon by any taxpayer.