



Robert J. Kovacev

Partner
rkovacev@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036

+1 202 429 6462 direct
+1 202 429 3902 fax

Areas of Practice

- Tax
- International Tax Controversy and Transfer Pricing
- International Tax
- IRS Controversy & Tax Litigation

Education

- Columbia Law School, J.D., 1997, Senior Editor, *Columbia Law Review*, James Kent Scholar, Harlan Fiske Stone Scholar
- Harvard College, B.A., *magna cum laude*, 1994

Judicial Clerkships

- Hon. M. Blane Michael, US Court of Appeals for the Fourth Circuit

Bar & Court Admissions

- District of Columbia
- California
- US Supreme Court
- US Tax Court
- US District Court, District of Columbia
- US District Court, Central District of California
- US District Court, Eastern District of California

Rob Kovacev focuses his practice on federal tax controversy and tax litigation. An experienced trial lawyer, Mr. Kovacev combines his skills in civil litigation with substantive knowledge of the tax laws.

Prior to joining the firm, Mr. Kovacev was a senior litigation counsel in the United States Department of Justice, Tax Division, responsible for litigating some of the largest and most complex civil tax cases in the nation. In that position, Mr. Kovacev worked closely with the Internal Revenue Service's (IRS) Large Business & International (LB&I) Division and top management of the Tax Division to shape litigation strategy on high-priority tax enforcement issues.

Mr. Kovacev was lead trial counsel in several complex tax cases in the pharmaceutical, financial services, energy, and government contracts industries. These cases involved cross-border transactions, Section 482 disputes, claims for research credits and foreign tax credits, corporate reorganizations and acquisitions, and valuation of pharmaceutical patents and other intellectual property. The amounts at issue in each of these cases ranged from \$10 million to more than \$1 billion in claimed tax benefits. Mr. Kovacev was also lead counsel in several important summons enforcement matters, including the *Wells Fargo* tax accrual workpapers case.

Mr. Kovacev developed particular knowledge regarding the IRS's use of the economic substance, substance over form, and sham partnership doctrines to disallow the tax benefits of transactions that comply with the technical requirements of the tax code. For example, Mr. Kovacev was lead trial counsel for the United States in *AWG Leasing*, involving a cross-border leveraged leasing transaction. The court in *AWG Leasing* disallowed over \$100 million in tax benefits from that transaction, and sustained the IRS's determination of penalties against the taxpayer. Mr. Kovacev was also on the trial team for the *Southgate Master Fund* case, in which the court disallowed more than \$1 billion in tax benefits arising from a distressed debt transaction based on the court's interpretation of the sham partnership doctrine.

Robert J. Kovacev

- US District Court, Northern District of California
- US District Court, Southern District of California
- US Court of Appeals for the Fourth Circuit
- US Court of Appeals for the Ninth Circuit

Mr. Kovacev also works closely with Steptoe's IP Group to advise corporate taxpayers, including both established corporations and high-tech, disruptive technology, start-up companies, about research tax credit issues. While at the Department of Justice, Mr. Kovacev litigated several major cases involving research tax credit claims, including cases against a Fortune 50 consumer products conglomerate and a major defense contractor. Drawing on this experience, he now advises clients how to comply with the substantiation requirements and technical rules for claiming the credit. Additionally, Mr. Kovacev anticipates potential IRS challenges to research credit claims, and regularly advises clients on strategies to address and overcome potential IRS challenges.

Before joining the Tax Division, Mr. Kovacev litigated several complex civil and white-collar criminal cases in private practice in Los Angeles and Washington.

Noteworthy

- Recipient of the John Marshall Award, the highest award for trial of litigation given by the Department of Justice, 2009
- Recognized as Outstanding Attorney by the Department of Justice, Tax Division, 2008, 2009, 2010
- Recipient of the Mitchell Rogovin Award for providing outstanding support to the Office of Chief Counsel by the IRS, 2009

Select Seminars & Events

"Managing and Resolving Section 199 Issues," *Tax Executives Institute*, May 20, 2015

Federal Bar Association Tax Law Conference 2015, March 6, 2015

"Anticipating and Defending IRS Challenges to Cross Border Transactions, Including the Economic Substance Doctrine," *Tax Executives Institute*, November 14, 2014

"IRS Audit Update: An Overview and Discussion of Key 2014 IRS Audit Developments Affecting Life Insurers," *30th Annual LICONY Tax Conference*, November 6, 2014

"Motive in IRS Audits - How Does Clarke Change the Playing Field," DC Bar Tax Audits and Litigation Series, September 30, 2014

"Tax Litigation Developments," *TEI IRS Audits and Appeals Seminar*, May 22, 2014

Selected Publications

US Supreme Court Holds Taxpayer Can Challenge IRS Summons
June 19, 2014