

Tax Disclaimer - A Note to Our Clients

Recently, you may have seen certain disclaimers that Lane Gorman Trubitt, L.L.P. is required to include when rendering "tax advice." In fact, you have probably noticed similar changes in the legal advice you receive from your attorney. Effective June 20, 2005, these disclaimers were brought about by new and amended administrative rule changes promulgated by the Internal Revenue Service. The principle change deals with the definition of "tax advice" and how the advice is delivered. Although the intent was to curb "abusive tax-shelter" advice, the rules seem to have gone far beyond the original intent. In order to comply with these new rules, however, all written "tax advice" from our Firm will now be accompanied by a disclaimer.

So, what does this mean to you? Basically, the Internal Revenue Service defined how "tax advice" can be presented to avoid penalties and the only acceptable form of advice is a formal, written "covered" opinion. Often, this is a time consuming and costly endeavor. The good news is that these types of opinions are not necessary in most of the situations we encounter. To avoid burdening our clients with unnecessary fees, on a going-forward basis we will issue disclaimers with all written tax advice that is not a "covered" opinion. We are confident about the quality of advice we have provided, and will continue to provide, notwithstanding any required disclaimer.

We sincerely hope this notice has not caused unnecessary concern for our clients, and that future commentary and clarification by the appropriate parties will enable us to eliminate this administrative burden and go about our normal business practice of advising our clients.