



Doug Jones

Partner

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PRACTICE AREAS

Tax Planning & Controversy

*Tax Exempt / NonProfit
Organizations*

*Corporate & Business
Transactions*

INDUSTRIES

Financial Services

Technology

Doug is a member of the firm's Tax Group, where he represents clients in connection with a broad range of tax matters.

Tax Planning for Business Transactions

Doug helps his clients plan and structure their most important business transactions to ensure that their business objectives are met in a tax efficient manner. Doug provides clients with practical advice and strategies regarding U.S. federal income taxes and state and local taxes. His practice includes counseling regarding mergers, acquisitions, joint ventures, workouts (in and out of bankruptcy), recapitalizations, divestitures, and spin-offs, entity formations as well as all forms of capital-raising activities. His clients include corporations, partnerships, and limited liability companies, ranging in size from start-up businesses to multinational public corporations.

Qualified Opportunity Funds

Doug is a leading expert on qualified opportunity funds and their tax benefits. Doug counsels funds, their managers and investors on the planning, structuring and implementation of qualified opportunity funds. Doug is also a frequent presenter and author on opportunity zone topics.

Tax Exempt Organizations

Doug has earned a reputation for his special interest in serving nonprofit and tax-exempt organizations. He counsels public charities, private foundations and other exempt organizations on a broad range of governance and tax matters. These organizations range in size from well-established community organizations with multimillion-dollar annual budgets to start-up organizations with modest levels of financial activity.

Doug routinely counsels early-stage exempt organizations with respect to the incorporation process, permissible exempt purposes and activities, fiduciary obligations of directors and officers, and governance policies and practices. He regularly advises clients with respect to proposed conflicting interest and related party transactions, as well as best practices for establishing an executive compensation package that is reasonable and not excessive.

Doug has successfully represented clients in connection with their applications for recognition of

exemption, including public charities, private foundations, and private operating foundations working on a wide variety of charitable causes. He counsels exempt organizations on matters related to their exempt status, such as compliance with federal limits on lobbying and political campaign activity, issues related to private benefit and private inurement, and strategies around unrelated business taxable income.

Doug is experienced in providing in-depth analysis of various options for structuring organizational ventures and the likelihood that certain revenue streams would generate unrelated business taxable income.

He represents family and corporate private foundations, and frequently provides guidance regarding the self-dealing and other private foundation excise tax rules.

Tax Controversies

Doug is committed to zealously advocating on behalf of his clients when they are faced with controversies with tax authorities. Doug represents clients before tax agencies in audits, appeals and litigation at the federal, state, and local tax levels.

Representative Experience

- **Recent Representative Matters: Tax Planning for Business Transactions.**
 - Represented founder of an **Austin-based entertainment company** in partial sale of equity to new investor requiring a complicated internal restructuring of subsidiary companies prior to the new investment.
 - Represented partner in an energy company in connection company's **sale of assets and resulting \$1 billion payout to partner.**
 - Represented private equity company in **\$500 million acquisition of operating company.**
 - Represented **retiring founder in sale of personal goodwill** and other assets to next generation of management.
 - Represented founder in **exit transaction where founder received cash** and tax free equity consideration.
 - Represented management team in connection with acquisition of the business relating to the management team's **compensation package and rollover equity.**
 - Represented parent corporation in **tax free reorganization** acquisition of target.
 - Represented company offering **equity compensation to key management.**
 - Represented investment fund in formation, structuring and drafting of **operating agreement.**

- Drafted **partnership and LLC agreements** (and side letters) to account for changes in law or business deal.
- Advised **non-US investors** on making and structuring investments in the US.
- Advised partners in a partnership on **permissible allocations of taxable income and loss**.
- Advised **S corporation shareholders** on restructuring required prior to acquisition of the S corporation.
- Advised founders on **conversions of companies** from corporations to partnerships and *vice versa*.
- Advised founders on the **benefits and requirements of Section 1202** qualified small business stock.
- Advised borrower on **\$200 million debt restructuring**.
- **Recent Representative Matters: Tax Controversies.**
 - Represented **taxpayer against the IRS** relating to an imposing of the trust fund recovery penalty.
 - Represented a **large construction company at an IRS appeal** relating to dispute over the proper application of accounting method. Resulted in a taxpayer favorable settlement and a complete abatement of penalties.
 - Represented taxpayers relating to **FBAR reporting compliance**.
 - Represented taxpayer in **Texas franchise tax insolvency settlement**.
 - Negotiated offer in **compromise with IRS on behalf of taxpayer**.
 - Negotiated **installment agreement with IRS** on behalf of taxpayer.
 - Represented taxpayer in front of **Travis County Appraisal Review Board** relating to property tax exemption.
 - Obtained **private letter ruling from the IRS** on behalf of taxpayer relating to late S corporation election.
- **Recent Representative Matters: Tax Exempt Organizations.**
 - Represented **one of the largest energy companies in the US** in its participation in a

business league focused on infrastructure improvement in the Permian Basin.

- Advised a private operating foundation on the tax and **governance consequences on its conversion to a non-operating foundation.**
- Advised private foundation on the **avoidance of excise taxes and self-dealing penalties.**
- Advised on the formation of a **Section 527 political action committee.**
- Advised, formed and secured tax exemption for:
 - **A 501(c)(6)** business league focused on the technology sector in Austin.
 - **A 501(c)(4)** social welfare organization focused on a ridesharing ballot initiative.
 - **A 501(c)(4)** social welfare organization focused on a bond ballot initiative.
 - **A 501(c)(3)** raising money for schools in Uganda.
 - **A 501(c)(3)** operating an orphanage in Nepal.
- Advised a **municipality in central Texas** on an acquisition of a for-profit business to further economic development goals.
- Advised a 501(c)(3) organization on **lobbying limitations.**
- Represented a state-wide professional organization on the **restructuring and operation of a for-profit subsidiary.**
- Advised a tax exempt entity on the **UBTI implications of for-profit activities.**
- Advised a tax exempt entity on **990 compliance** and other reporting obligations.
- Represented a 501(c)(3) entity against the **IRS in an audit** relating to the activities of the entity.
- Represented a **religious organization** with respect to compensation matters.
- Assisted a school in obtaining **property tax exemption.**
- Represented an **Austin cultural institution** in obtaining and maintaining Texas sales tax and franchise tax exemption.

Representing an Austin cultural organization in front of the **Travis County Appraisal Review**

Board relating to property tax exemption.

Publications & Presentations

- Author, *ESPCs Offer Employers a Unique Way to Help Employees*, Austin Business Journal (December 3, 2020)
- Employer Sponsored Public Charities (October 29, 2020)
- McGinnis Lochridge Tax Law Webinar: Final Opportunity Zone Regulations (January 16, 2020)
- Author, *Final Opportunity Zone Regulations*, McGinnis Lochridge Tax Law Update (December 30, 2019)
- Speaker, *Qualified Opportunity Funds vs. 1031 Exchanges* 2019 TXCPA Austin, Annual Tax Conference, Austin, Texas (November 7, 2019)
- Author, *How The Opportunity Zone Rules Can Work For Entrepreneurs*, Law360 (October 11, 2019)
- Partner Doug Jones Discusses Once-In-A-Generation Tax-Saving Opportunity (August 6, 2019)
- Presenter, *Tax Law Update: Qualified Opportunity Zones*, Austin Bar Association, Austin, Texas (April 24, 2019)
- Presenter, *Tax Law Update: Qualified Opportunity Zones*, McGinnis Lochridge, Austin, Texas (February 14, 2019)
- Presenter, *Independent Contractor v. Employee - Be Prepared to Defend Your Position*, Texas Society of CPAs, 2018 Austin CPA Chapter Annual Tax Conference (November 8, 2018)
- Co-presenter, *Cryptocurrencies — Tax and Security Law Primer*, Austin Blockchain Collective, Capital Factory, Austin, Texas (August 20, 2018)
- Co-presenter, *Cryptocurrencies — Tax and Security Law Primer*, BLOQSpace Cryptocurrency, Coding, and Blockchain Meetup, San Antonio, Texas (June 18, 2018)
- Co-presenter, *Cryptocurrencies Tax and Security Law Primer*, Austin Tech Alliance Lunch & Learn, Capital Factory, Austin, Texas (May 9, 2018)

Professional Associations & Community Involvement

- American Bar Association: Tax Section
- Texas Bar Association: Tax Section
- Austin Bar Association: Corporate and Tax Section

Bar Admissions

- Texas
- New York

Education/Professional Background

- New York University School of Law, LL.M. in Taxation, 2012
- Pace University School of Law, J.D., 2007 (summa cum laude)
- Washington University in St. Louis, B.A., 2003