RELIANCE ON IRS WRITTEN GUIDANCE

Stand by Your Words:
Operationalizing the Taxpayer's Right to be Informed

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*Presentation based on a draft of a paper co-written with my colleague, Professor Richard K. Greenstein.

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Reliance on Pro-Taxpayer FAQs

- Assume that you have a client who is a self employed actress who was a victim of sexual harassment while working on a film earlier this year.
- She retains counsel and agrees to settle her claim in exchange for receiving a substantial cash payment, while agreeing not to disclose either the settlement or her claim.
- Can she deduct the legal fees she incurs? Under section 162, generally yes . . . BUT

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- The “BUT” is Harvey Weinstein, who went from this:



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- To this:



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- And this:



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- On October 5, 2017, Jody Kantor and Megan Twohey broke what came referred to as the "Harvey Weinstein scandal" with the publication of their deeply researched article in the New York Times: https://www.nytimes.com/2017/10/05/us/harvey-weinstein-harassment-allegations.html
- Its headline was, "Harvey Weinstein Paid Off Sexual Harassment Accusers for Decades."
- The article was consequential in many ways, but is also affected the Internal Revenue Code.

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