

# Settlement Taxation

*Higher Education Taxation Institute*  
*June 4, 2018*

**Benjamin A. Davidson**  
The University of North Carolina at Chapel Hill

**Bertrand M. Harding, Jr.**  
Law Offices of Bertrand M. Harding, Jr.



## Agenda

---

- What's at stake
- Origin of the claim
- What's new
- Settlement agreements
- Process



## What's at stake

---

- Fragile relationship
- Amended W-2s
- Underwithheld taxes, interest, and penalties

## Origin of the Claim

---

- “the petitioner does not have to prove the validity of his claim; rather, he must show the nature of the claim which was the actual basis for the settlement.”

*Seay v. Commissioner*, 58 T.C. 32 (1972); *see also U.S. v. Gilmore*, 372 U.S. 39 (1963).

- Payment types:
  - Wages
  - Non-wage taxable income
  - Tax-free

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Settlement Taxation

Also available as part of the eCourse

[2018 Higher Education Taxation eConference](#)

First appeared as part of the conference materials for the  
6<sup>th</sup> Annual Higher Education Taxation Institute session  
"Settlement Taxation"