



Thinking Beyond the Present Driving Long-term Value

An Overview of Tax Services

TAX

Taking a New Approach to Change

Today's unprecedented economic challenges are forcing companies to rethink the way they do business. Faced with complex market issues such as governance and risk management, sustaining performance, and maintaining liquidity, business leaders are challenged to make critical decisions on a daily basis. At the same time, they are expected to continue identifying future growth opportunities.

For many companies, adapting to this dynamic new world includes taking a closer look at how they manage their tax issues. But with increasing regulatory pressures, greater demand for transparency and compliance, as well as the complexities of the global marketplace, making the right tax decisions has its own set of challenges. To meet these new challenges, many organizations are seeking a different type of tax advice. It's advice that goes beyond the present. Beyond borders. Even beyond tax.

In other words, it's the type of advice you can expect from the tax professionals at KPMG LLP.

Forward Thinking. Global Mindset. Adding Value.

KPMG's tax professionals understand the changing tax environment. We recognize that organizations' tax decisions are being scrutinized like never before. That assets are moving around the global marketplace at the speed of light. And that large and small organizations alike can be subject to influence by events on the other side of the world.

That is why the tax professionals of KPMG LLP and the member firms of KPMG International focus on turning knowledge into value for our clients. This begins by thinking beyond the present. That is, we anticipate the potential long- and short-term consequences of an action. In addition, we take the time to consider the various obstacles to change, and through our collaborative, global-network approach help clients implement decisions that can deliver real value to their businesses. Today and in the future.



KPMG's Tax Services

Delivering on the needs of our clients

Our service premise is simple: we listen to our clients. We bring value through our real-world experience and technical know-how. We take a tailored approach to responding to your needs, and through gaining an understanding of your perspective, can offer you practical services and advice.

Led by our talented and experienced professionals, we offer a range of services—from state and local tax to international corporate tax—to help develop business, improve processes, manage costs, and stay in step with regulatory requirements. Among the services you will find are:

- Federal Tax Services
- Economic and Valuation Services
- International Corporate Services
- International Executive Services
- Mergers and Acquisitions
- State and Local Tax Services

What's more, we also offer you a range of resources to alert you to breaking tax news, keep you apprised of trends and key issues, and help you understand how new developments may affect your business. These resources include our Washington National Tax practice, KPMG TaxWatch Thought Leadership Series, Tax Governance Institute, tax-related newsletters and publications, and more.

Here is a more detailed look at the range of services and resources KPMG's tax professionals offer you.



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Federal Tax Services

Attuned to the latest IRS rules and regulations, KPMG's Federal Tax professionals offer a broad range of capabilities in the following areas:

Tax Compliance and Consulting Services. Through our full-service delivery approach, our professionals can help businesses act in accordance with the rules and regulations related to federal, state, and local income and franchise taxes, including support in the following areas:

- **Tax Compliance Services:** We provide federal tax compliance services. Our standard compliance methodology, applied consistently by KPMG nationwide, can help drive efficiencies throughout the process.
- **Day-to-Day Tax Consulting Services:** Our tax professionals offer tax compliance planning and tax provision support, and typically have firsthand knowledge of information potentially affecting the overall tax position of an organization.
- **Tax Provision Services:** In appropriate circumstances, KPMG can assist with the preparation of income tax provisions.
- **Tax Co-Sourcing Services:** Our service includes the use of a clear and structured sourcing approach to help companies determine the best fit for their organizations and determine whether local outsourcing, co-sourcing, or offshore resources provide the best option and provide the necessary services to augment your tax department.

Accounting Methods and Credit Services. Our team comprises a national group of tax professionals from our Washington National Tax practice who cover the following service areas:

- **Tax Accounting:** We can analyze a company's unique accounting methods for potential tax planning, including valuation alternatives for inventory.
- **Research and Development Tax Credits:** We can review a company's research and development expenditures for deduction and credit purposes.
- **Fixed Assets:** We can review a company's fixed assets to help it effectively manage its cost recovery and capitalization issues.

Federal Legislative and Regulatory Services. As a part of our Washington National Tax practice, the Federal Legislative and Regulatory Services group provides a number of services, including: analysis of pending and proposed legislation and administrative guidance; formulation of approaches to assess the potential impact of legislative and administrative tax rules; preparation and coordination of proposals, testimony, and other legislative documents; formation of industry coalitions; and briefings and discussions to keep clients current on legislative and regulatory developments.

Global Tax Transformation Services. KPMG's Global Tax Transformation professionals can help a company's tax department operate more efficiently and effectively and bring tangible benefits to the company, while enhancing its reputation within the organization.

Tax Controversy Services. KPMG's Tax Controversy Services (TCS) professionals help companies understand, anticipate, and strategically respond to the IRS, from the beginning of a controversy to its final resolution. Many of our TCS professionals have been directly involved in developing and litigating precedent-setting tax cases, assisting with the implementation of IRS compliance programs, establishing tax policy, and drafting new legislation. Primary services include:

- **IRS Exam Tax Consulting and Appeals Assistance:** We provide traditional tax consulting assistance in the examination context as well preparing protests and representing clients at appeals.
- **Alternative Dispute Resolution:** Our TCS professionals can assist clients in determining which alternative dispute resolution technique, such as mediation (Fast-Track Settlement and post-appeals), arbitration, early referral, pre-filing agreements, and accelerated issue resolution, may fit each specific situation.
- **Interest Computation Assistance:** We analyze IRS transcripts, review the interest computations, and correctly apply computational procedures to help companies successfully identify errors that could lower interest liabilities or create interest refunds.

Economic and Valuation Services

KPMG's Economic and Valuation Services (EVS) professionals offer a wide range of advanced analytical services that help clients make forward-thinking decisions about strategy, operations, and compliance to create long-lasting value, including:

Transfer Pricing Services. EVS professionals help clients effectively and efficiently manage their transfer pricing through the following services:

- **Planning:** We can assist in the development of economically supportable transfer pricing policies and the execution of sustainable tax planning with effective tax rate benefits.
- **Compliance and Documentation:** We help analyze and document transactions between related parties for consistency with the arm's-length principle.
- **Implementation:** We can advise on developing and implementing policies, procedures, and systems for setting, monitoring, and documenting intercompany transactions.
- **Controversy:** We help resolve transfer pricing disputes through various services, including Advance Pricing Agreements, Competent Authority negotiations, arbitration, and litigation support.

Valuation Services. EVS professionals can provide valuations of businesses, joint ventures, and equity interests, as well as specific tangible and intangible assets, to assist clients across a wide range of business requirements, including:

- **Financial Reporting:** We help support purchase price allocations, impairment testing, stock option valuations, IFRS reporting, and fresh-start accounting.
- **Mergers, Acquisitions, and Divestitures:** We assist with pricing potential transactions.





Our understanding of rapidly changing cross-border business practices and our extensive knowledge of tax law and general business conditions in jurisdictions around the world allow us to provide specialized services to assist clients with current issues and achieving business objectives.

- **Tax Planning:** We value companies and assets to help conform to various U.S. and cross-border tax regulatory requirements.
- **Planning and Decision Support:** We provide valuation advice for investment and capital expenditure assessment.
- **Expert Testimony:** We support litigation and arbitration valuation disputes.

Economic Services. EVS professionals apply sophisticated analyses and modeling techniques to help clients address today's critical business issues in the following areas:

- **Public Policy Analysis:*** We help clients understand and articulate the potential benefits associated with public policy decisions in areas such as infrastructure investments, program outcomes and costs, and near- and long-term economic impacts.
- **Performance Analysis:** We help clients assess specific business-segment or program performance, understand potential underlying drivers, and model how financial performance might be affected by market uncertainties and other business risks.
- **Statistical Sampling and Analysis:** We provide the underlying analyses for projects requiring the definition of population segments and sample sizes and statistical testing.

*KPMG does not perform these services when the results of our studies will be shared with third parties.

International Corporate Services

KPMG's International Corporate Services (ICS) professionals are committed to helping companies achieve tax efficiency in their international operations, and have the experience and technical skills to advise clients on many aspects of international taxation from both inbound and outbound transaction perspectives.

Our understanding of rapidly changing cross-border business practices and our extensive knowledge of tax law and general business conditions in jurisdictions around the world allow us to provide specialized services to assist clients with current issues and achieving business objectives.

ICS professionals provide a broad range of tax consulting services that assist clients with:

- Establishing new operations, including joint ventures
- Organizing or modifying distribution networks through foreign affiliates
- Planning low-cost financing structures and alternatives
- Reviewing foreign manufacturing and service operations
- Integrating global operations based on business needs
- Complying with U.S. tax, tax accounting, and international trade requirements.

International Tax Centers of Excellence. Covering major countries and regions around the world, the International Tax Centers of Excellence located in the United States assist companies with effective tax planning that involves multiple jurisdictions. Center professionals have firsthand, country-focused business knowledge and are steeped in the tax laws, industries, and business environments of their countries of focus. The centers offer quick access to home-country tax knowledge and serve as ready access points to the worldwide resources of KPMG International member firms. But the centers' true strength lies in the collaboration among the centers to address international tax issues. This collaboration provides multiple perspectives and can assist clients in identifying alternative tax planning approaches to business opportunities and challenges.

Trade and Customs Services. The ICS practice also offers a wide array of trade advisory and risk management services through a focused team of Trade and Customs Services professionals who have extensive experience working with clients and interacting with customs officials—both U.S. and non-U.S.—on various trade programs. These individuals include former U.S. Customs and Border Protection import specialists and field auditors, former Bureau of Industry and Security personnel, custom brokers, and transportation and logistics professionals. KPMG's Trade and Customs professionals can help clients reduce supply chain costs and achieve operational efficiencies in such areas as customs duty savings, import and export compliance, foreign trade zone implementation, and preferential trade program qualification.

International Executive Services

KPMG's International Executive Services (IES) professionals help companies manage the complexities of their globally mobile workforces. We can provide a single source for the following services that address these potential international assignment business needs:

- **Global mobility risk management:** Our professionals can provide tax advice that supports a myriad of financial, tax and technology issues for traditional long-term mobility programs as well as short-term mobility and international business travel.
- **International tax consulting and compliance:** Our professionals can prepare individual tax returns for our firms' clients' international assignees. We can assist with the complete compliance cycle from pre-departure counseling, income tax return preparation, and tax reconciliations, to correspondence with tax authorities.
- **Global mobility advisory:** KPMG conducts surveys of various international assignment programs so that an organization can benchmark its global assignment policies against comparable competitor groups and establish its position within an appropriate peer group.
- **Technology – KPMG LINK:** KPMG's Web-based service-related tools can help clients effectively and efficiently address their program management process through supporting services related to tax compliance management, compensation collection, cost-projection/financial modeling, and international assignment program management.





Mergers and Acquisitions

KPMG's Mergers and Acquisitions (M&A) tax professionals have both the global perspective and the local tax law knowledge needed to help facilitate a merger or acquisition. Specific services include:

- **Due Diligence:** Careful due diligence helps apprise clients of the potential risks and benefits associated with a particular transaction. We base our investigations on an understanding of our clients' strategy and business goals so we can help identify the particular tax exposures that will be addressed.
- **Acquisition Tax Planning:** Our team can help lay the groundwork for an acquisition, providing tax-efficient planning, as well as traditional tax due diligence on the prospective company, its group members, or the parties involved in a joint venture.
- **Disposition Tax Planning:** While also encompassing tax due diligence and transaction planning, this set of services focuses on the particular characteristics of a disposition. We can help ascertain the potential tax issues that may arise upon the sale or other type of disposition of all or part of a business. We can help clients address a variety of issues, including the retention of certain assets, debt placement, and a tax-efficient method for disposition.
- **Services Related to Troubled Companies:** Our M&A Tax professionals have helped clients at virtually every phase of a difficulty, including layoffs and shutdowns, debt negotiations, bankruptcy petitions, and liquidations.

State and Local Tax Services

KPMG's State and Local Tax (SALT) professionals offer a broad range of state and local tax services to our clients. Our national network continually monitors the legislative, judicial, and regulatory tax landscape to keep our clients abreast of new developments that may affect them.

Our SALT services are organized into the following distinct, but interconnected areas:

Income and Franchise Tax Services. Through a broad array of tax advisory, controversy, and compliance services, our professionals can help clients manage the complexities of nexus, apportionment, tax base, income classification, and filing options. Services include:

- Income Tax Compliance
- State Amended Returns
- Provision Review
- Apportionment Analysis
- Controversy Services.

U.S. Indirect Tax Services. Well-versed in multi-state issues that affect both U.S.-headquartered and non-U.S.-headquartered companies, our professionals provide a range of services, including:

- Sales Tax Compliance
- Recovery of Overpayments

- State Audit Defense
- Transaction Tax Systems
- Exemption Certificate Compliance
- Voluntary Disclosure Services
- Sales and Use Tax Outsourcing
- Indirect and Value-Added Tax (VAT) Services
- Unclaimed Property Services.

Global Location and Expansion Services (GLES). KPMG's GLES offers assistance with expansion-based business services including:

- Site Selection/Location Analysis
- Business Incentive Negotiation
- Credit Review
- Economic Development.

Each of these services is delivered nationally and internationally by a diverse group of professionals with extensive state and local market experience and industry knowledge. KPMG professionals can provide services designed to help companies mitigate their start-up and operational costs on both a tax and non-tax basis (e.g., expansion, consolidation, relocation, or research and development).

GLES also offers Green Building Services that can help identify and realize the tax and other credits and incentives that are available to a company when it sets up operations in an environmentally friendly building.

Employment Tax Services. Our professionals can help companies identify payroll and unemployment tax issues by:

- Identifying, quantifying, and recovering payroll tax overpayments
- Complying with employment tax requirements during restructuring or related M&A transactions
- Securing the abatement of penalties for payroll-related assessments.

State Tax Resource Network (STRN). SALT's STRN brings together professionals from across the United States to provide timely access to tax insights and guidance that can help address tax issues that may affect their competitiveness and ability to meet long-term business objectives. As part of our approach, our STRN professionals:

- Gain an in-depth understanding of a client's business to provide high-quality representation
- Work collaboratively within the network, leveraging the knowledge and experience of KPMG's SALT professionals
- Help a client determine which procedural route to pursue—settlement, conciliation conferences, or administrative hearing
- Assist the client through the administrative appeals process.





Other Knowledge Institutes

- KPMG's Audit Committee Institute promotes the sharing of relevant information and effective audit committee processes.
- KPMG 404 Institute members can exchange ideas and share knowledge regarding compliance with section 404 of the Sarbanes-Oxley Act.
- The KPMG IFRS Institute is a forum for sharing knowledge, gaining insight, and accessing thought leadership on conversion to International Financial Reporting Standards.
- The KPMG Global Energy Institute is designed for sharing knowledge, insights, and thought leadership on key industry issues and emerging trends.
- The KPMG Global Enterprise Institute offers networking opportunities and provides a forum for middle market companies to discuss issues, challenges, and opportunities related to going global.
- The KPMG Healthcare & Pharmaceutical Institute provides a forum for industry leaders to share perspectives, gain insights, and develop approaches to help balance risk and controls and improve performance.

Other Tax Resources

Washington National Tax

Washington National Tax (WNT) is the technical core of KPMG's Tax practice in the United States. Our professionals, many of which draw on their prior experience with the Internal Revenue Service, the U.S. Department of the Treasury, Congress, and the U.S. Tax Court, offer a distinctive breadth and depth of tax knowledge.

The WNT team serves as a premier resource for clients and KPMG professionals in resolving complex tax issues in connection with business decisions in a wide range of areas, including, but not limited to, corporate tax, partnerships, mergers and acquisitions, international corporate tax, international executive services, transfer pricing, state and local tax, financial institutions and products, practice, procedure and administration, income tax and accounting, climate solutions and energy, real estate, and exempt organizations.

KPMG TaxWatch Thought Leadership Series (www.kpmgtaxwatch.com)

KPMG TaxWatch, a series of thought leadership events, offers finance and tax professionals the timely information they need to do their jobs more effectively. Through a series of Webcasts, TaxWatch Live seminars, and Podcasts, KPMG can summarize current tax, regulatory and legislative developments, and determine how those changes might affect your business.

Tax Governance Institute (www.taxgovernanceinstitute.com)

KPMG's Tax Governance Institute has been established to create an open forum for board members, corporate management, stakeholders, and government representatives to share knowledge regarding the identification, oversight, management, and appropriate disclosure of tax risk.

TaxNewsFlash Alerts


KPMG's TaxNewsFlash provides e-mail alerts of breaking, tax-related legislative, regulatory, and judicial developments. Since its launch in July 1999, TaxNewsFlash-United States has focused on providing companies with news of U.S. federal and selected state tax developments within hours of release. Visit <http://www.us.kpmg.com/microsite/taxnewsflash/>.

International editions of TaxNewsFlash provide periodic tax updates concerning the following regions or topics:

- Africa: <http://www.us.kpmg.com/microsite/e-taxnewsflash/>
- Americas: <http://www.us.kpmg.com/microsite/tnf-americas>
- Europe: <http://www.us.kpmg.com/microsite/tnf-europe>
- Asia/Pacific: <http://www.us.kpmg.com/microsite/tnf-asiapacific>
- Transfer Pricing: <http://www.us.kpmg.com/microsite/taxnewsflash/tp>
- Trade and Customs: <http://www.us.kpmg.com/microsite/taxnewsflash/customs/>

Industry-specific editions are available for:

- Exempt Organizations: <http://www.us.kpmg.com/microsite/taxnewsflash/exempt>
- Cooperatives: <http://www.us.kpmg.com/microsite/taxnewsflash/coops>



KPMG International's member firms have 137,000 professionals in 144 countries. Tax professionals from KPMG LLP and their counterparts from the member firms of KPMG International help clients around the world stay on top of tax-related developments and address a host of international, federal, state, and local tax issues.

A multidisciplinary approach, technical experience, and deep industry knowledge are some of the ways KPMG's Tax professionals can add value and help you manage the tax complexities of an ever-changing business environment.

**We call it thinking beyond.
You'll call it KPMG.**

Contact:

To learn more about KPMG's Tax Services practice, contact us-taxservices@kpmg.com.

THE INFORMATION CONTAINED HEREIN IS OF GENERAL NATURE AND BASED ON AUTHORITIES THAT ARE SUBJECT TO CHANGE. APPLICABILITY OF THE INFORMATION TO SPECIFIC SITUATIONS SHOULD BE DETERMINED THROUGH CONSULTATION WITH YOUR TAX ADVISOR.

DUE TO INDEPENDENCE CONSIDERATIONS, CERTAIN SERVICES MAY NOT BE AVAILABLE TO KPMG AUDIT CLIENTS.

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