



“The courts have repeatedly said that there is nothing illegal or unpatriotic with planning one’s affairs so that taxes are as low as possible. My role when advising clients with a difficult or complex tax problem is to assist them with finding the optimum solution that is consistent with their objectives, but at the same time stays within the boundaries of what the law permits.”

Paul Marcotte, Jr.

Principal

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Paul Marcotte, Jr. Chairs the firm’s Tax practice group and is a member of its Estate Planning, Estate & Trust Administration and Nonprofit groups. He concentrates his practice on federal, state and international tax matters (both planning and controversy), estate and wealth preservation planning, probate and trust administration, nonprofit organizations, and business counseling and succession planning. Paul helps his clients by putting complicated tax issues into simple English. He makes sure that the individuals, businesses and international clients he services have help navigating our complex tax systems and avoid potential minefields such as increased levels taxation and/or penalties.

Paul’s international tax practice also includes advising a wide spectrum of clients on cross border investment matters and international tax compliance. He counsels multinationals on the structuring of foreign investment in U.S. real estate or establishing new business ventures or subsidiaries in this country with a view to minimizing the potential impact of U.S. income taxation on the profits/gains from such activity and limiting exposure to U.S. wealth transfer taxes. The converse involves assisting U.S. clients (including dual nationals) that hold interests in offshore entities subject to some rather complex and onerous tax regimes and enhanced reporting requirements including foreign trusts, controlled foreign corporations and passive foreign investment companies where penalties for non-compliance can be quite severe. He also advises on more complex international matters including expatriation planning and migrating offshore structures onshore to avoid the need for continuing reporting of such holdings and undue tax exposure by U.S. beneficiaries.

From an estate planning perspective, Paul designs sophisticated strategies for high net worth clients, including successful business entrepreneurs and real estate investors. He minimizes the adverse impact of federal wealth transfer taxes and preserves and perpetuates family wealth for future generations using the latest planning techniques including such strategies as dynasty or perpetual trusts, family partnerships, sales to intentionally defective trusts and valuation discounts.

A significant part of Paul’s estate planning practice focuses on unique estate planning considerations for multinationals including staff at various international organizations with headquarters in the Washington, D.C. metropolitan area, such as the World Bank and the International Monetary Fund, diplomatic personnel as well as business executives on assignment here from overseas employers. Paul works with these individuals to educate them as to basic legal and tax rules that apply in their special circumstances and help them navigate through an often highly complex and intricate maze of specialized tax rules. Over the years, Paul has worked with clients

from all over the globe that have come to the U.S. with their own unique backgrounds and culture unaccustomed to such complexity and tax exposure. Paul also works with foreign professionals engaged by such individuals to coordinate the global planning for clients whose interests span multiple jurisdictions.

In addition to planning and compliance matters, Paul represents both individuals, estate and trust fiduciaries and business organizations before the Internal Revenue Service and state and local tax authorities in conjunction with a broad spectrum of tax controversy matters such as taxpayer examinations, non-compliant taxpayers including non-filers, penalty assessments and requests for abatement, IRS Appeals and other tax controversy proceedings including litigation before the U.S. Tax Court. He has helped many clients with undisclosed offshore accounts and other holdings come forward by making a voluntary disclosure to the IRS under various offshore voluntary compliance programs with the expectation of avoiding some of the harsher penalties that can be imposed for non-compliant taxpayers. He also counsels clients as to when less formal alternatives to a full voluntary disclosure are available with reduced penalty exposure. He works with clients in establishing tax-exempt organizations, including private foundations and those with overseas operations where extra oversight over foreign grant making is required.

Paul has served as a part-time instructor, teaching various tax courses for paralegal studies at area universities, and has been a guest lecturer at local law schools. Prior to starting his legal career, he worked as a Certified Public Accountant for an accounting firm in Silver Spring, Md.

Paul is a member of STEP (Society of Trust and Estate Practitioners), an international group of experienced and senior professionals in the field of trusts and estates. He serves as Chair for the STEP Mid-Atlantic Branch and is a member of its Executive Committee.

He is a past Chair and current member of the Section of Taxation of the Maryland State Bar Association, the governing body which sets its overall policy and is responsible for giving testimony on proposed legislation and regulatory developments impacting the general public as well as tax practitioners.

PRACTICE AREAS

Tax: Individual

Tax: Business

Estate Planning

Estate & Trust Administration

Nonprofits

BAR ADMISSIONS

Maryland

District of Columbia

EDUCATION

LL.M. in Taxation, Georgetown University Law Center, 1983

J.D., University of Baltimore School of Law, 1981
- American Jurisprudence Award for Study of Agency & Partnerships

M.B.A., University of Maryland, 1981
- Concentration in International Finance

B.S., University of Maryland, 1976
- Beta Alpha Psi - Accounting Fraternity

ACCOLADES & AWARDS

Best Lawyers in America - *Best Lawyers* (2018-2021)
- Tax Law
- Trusts and Estates

Best Law Firms – *U.S. News & Best Lawyers*
- Tier 2 National Ranking for Trusts & Estates
- Tier 1 Metropolitan (D.C. area) Ranking for Trusts & Estates

"Top Attorneys," *Bethesda Magazine* (2019)
- Tax

Maryland *Super Lawyers* (2015-2020)

Washington D.C. *Super Lawyers* (2015-2020)

AV Preeminent® Peer Review Rated

IN THE NEWS

Twenty Paley Rothman Attorneys Selected to 2021 Best Lawyers in America

Glenn Cooper Top 10, 14 Paley Rothman Attorneys Named to the 2020 Washington D.C. Super Lawyers and Rising Stars Lists

14 Paley Rothman Attorneys Named to the 2020 Maryland Super Lawyers and Rising Stars Lists

Paul Marcotte Featured Speaker at STEP Presentation

Paul Marcotte Jr. Chosen Chair-Elect of the Maryland State Bar Association's Taxation Section

Paul Marcotte Jr. Publishes Two Articles in May 2013 Maryland Bar Journal

Paul Marcotte Publishes Two Articles in Legal Journals

Paul Marcotte Serves as Panelist at U.S. Taxpayers' Foreign Accounts Symposium

Paul Marcotte, Jr. Selected to the Maryland Section of Taxation Council

RECENT PUBLICATIONS

"States of Play," *STEP Journal* (Vol27 Iss4), pp.29–31

"Pain Relief From Undisclosed Offshore Holdings: IRS International Penalty Procedure and Strategy," *Journal of International Taxation*, March 2014

"Update on FBARs, OVDI, FATCA and Emerging Trends in Cross-Border Tax Enforcement," *Journal of International Taxation*, November 2013

"IRS Winning Game of Offshore Hide and Seek," *Maryland Bar Journal*, May 2013

"Reducing the Pain: IRS Penalty Mitigation and Procedure," *Maryland Bar Journal* (Co-Author), May 2013

"Planning for U.S. Persons Inheriting Offshore Trust Structures," *Journal of International Taxation*, July 2010

"Mon Dieu! Your Client is Now the Beneficiary of an Offshore Trust," *Maryland Bar Journal*, September/October 2009

"Estate Planning for Real Estate" presented at *MICPEL Advanced Estate Planning Institute* (Co-Author), May 2008

"Tax Legislation Offers Small Business Incentives," *Business Gazette*, Dec. 17, 2004

"Keeping 2036 Out of It," case note in *Trusts and Estates* (January 2004), a leading publication in the field of estate planning, on a judicial decision involving family partnerships in the context of the federal estate tax laws

"Section 482: Reallocation of Personal Service Corporation Income to Shareholders," *12 University of Baltimore Law Review* 40, 1982

CIVIC & COMMUNITY INVOLVEMENT

American Bar Association - Member

- Tax Section
- Real Property, Trust and Estate Section
- Business Law Section

Maryland State Bar Association - Member

- Tax Section - Past Chair
- Estates & Trusts Section

District of Columbia Bar Association - Member

- Tax Section

Society of Trust and Estate Practitioners (STEP) – Chair, Mid-Atlantic Branch

- Former Treasurer

SPEECHES & PRESENTATIONS

"Navigating the Post-Election Tax Landscape Impact on US and Non-US HNW Individuals and Family Offices," Society of Trust and Estate Practitioners, Mid Atlantic Branch, November 2020

"US – China Planning for High Net Worth Individuals," Society of Trust and Estate Practitioners, Mid Atlantic Branch, May 2020

"What Private Client Advisors Should Know about U.S. Taxation Relief in Response to the COVID-19 Pandemic," Society of Trust and Estate Practitioners, Mid Atlantic Branch, April 2020

"The SECURE Act: What Advisors to High Net Worth Individuals Need to Know," Society of Trust and Estate Practitioners, Mid Atlantic Branch, March 2020

"CFC Tax Planning for Individuals and Family Offices An Update," Society of Trust and Estate Practitioners, Mid Atlantic Branch, April 2019

"The New IRS Voluntary Disclosure Program: What Practitioners Need to Know," Society of Trust and Estate Practitioners, Mid Atlantic Branch, December 2018

"Tax Issues Impacting U.S. Persons Residing Abroad After U.S. Tax Reform," Society of Trust and Estate Practitioners, Mid Atlantic Branch, October 2018

"International Mystery - Unlocking the Secrets to Tax Efficient Trust Structures for Non-U.S. Persons," Maryland State Bar Association's Advanced Estate Planning Institute, May 2018

"Tax Cuts and Jobs Act: How Should U.S. Individuals Restructure Foreign Corporation Ownership?" Society of Trust and Estate Practitioners, Mid Atlantic Branch, May 2018

"Tax Cuts and Jobs Act (H.R.1)," Wilmington Tax Group, March 2018

"I've Got an International Secret' Uncovering the Mysteries of Drafting DE Trusts for Non-US Persons," Delaware Trust Conference, October 2017

"Offshore Disclosure, Cross-Border Tax Enforcement, Expatriation, Ethics and Other Hot Topics," Society of Trust and Estate Practitioners, Mid Atlantic Branch, June 2017

"Tax, Immigration Planning and Compliance for High Net Worth Individuals Acquiring U.S. Citizenship," Bloomberg BNA, June 2017

Co-Chair and Panelist for 2017 International Estate Planning Conference, Presentation topic "Offshore Disclosure, Cross-Border Tax Enforcement, Expatriation, Gatekeeper and Other Hot Topics," co-hosted by the Maryland State Bar Association and Society of Trust and Estate Practitioners, April 2017

"How High Net Worth Foreign Individuals Should Hold U.S. Real Estate," Society of Trust and Estate Practitioners, Mid Atlantic Branch, February 2017

"New 2801 Guidance – Succession Tax on Gifts/Bequests from Covered Expatriates," Society of Trust and Estate Practitioners, Mid Atlantic Branch, October 2015 (Panelist)

"FATCA and Other International Tax Compliance Issues," Maryland State Bar Association Tax Section – Montgomery County/Prince George's County Tax Study Group, November 2014

"U.S. Taxpayers' Foreign Accounts: FATCA, Voluntary Disclosure & Summonses," Symposium co-hosted by Maryland State Bar Association of Taxation/University of Baltimore Graduate Tax Program, March 2014 (Panelist)

"After the FBAR," Maryland State Bar Association Taxation Section – Montgomery County/Prince George's County Tax Study Group, January 2012

"Advising Clients Seeking to Come in From the Cold; IRS Voluntary Disclosure Basics," Maryland State Bar Section of Taxation Webinar, October 2011 (Moderator and Panelist)

"Employment Tax Examination Basics," Maryland State Bar Section of Taxation Webinar, April, 2011 (Moderator)

"Roth Conversions," Maryland State Bar Section of Taxation Webinar, April, 2010 (Moderator)

"Estate Planning for French Nationals Working/Residing in the United States," L'Association Démocratique des Français à l'Étranger (presented at Embassy of France in Washington, D.C.), November 2006

"Planning for Family Partnerships in Aftermath of Strangi III," Montgomery County Bar Association Trusts and Estate Section, October 2003