



Welcome Fall!

From our offices in **California to Washington, D.C., Miami** and beyond, the leaves are falling, calendars are filling, and pumpkin-spice season has officially taken over.

As 2025 winds down, this issue serves up strategy, insight, and a few laughs to carry you into Thanksgiving because who couldn't use both caffeine and clarity right now?.

We open with our **feature**, *The Family Office Decoded* on pages 2 and 3, where we take an unfiltered look at what a "family office" really means. Spoiler: it's less mahogany boardroom and more "pass the gravy while we discuss capital gains." It's a must-read for anyone balancing legacy with life, and proof that good governance pairs surprisingly well with mashed potatoes.

Still thinking of moving abroad? Check out our guide '*Leaving, Returning, or Renouncing?*' on page 3 that differentiates between Expatriation, Repatriation and emigration (not immigration). It unpacks how travel, tax law and timing collide when you cross borders.

Meanwhile, *Don't Get High on Your Rental Income* turns a sharp eye on California's cannabis enforcement and why landlords might want to add "background check on botanicals" to their leasing checklist. It's one story where green definitely isn't always good. Read more on page 4.

Our *Tax Radar* feature (page 5) closes the issue with *Leopard v. United States*, where the Court of Federal Claims reminds us that an amended return without documentation is a bit like a pumpkin pie without filling — it collapses under pressure.

Fall is best enjoyed with something warm in hand so our **Starbucks Gift Card Giveaway** is back! Three readers will each win \$50 toward their favorite seasonal pick-me-up — fuel for audits, appeals, or just surviving family dinner debates.

From all of us at **Brager Tax Law Group**, thank you for your trust, support and partnership throughout 2025. Wishing you and your loved ones a laughter-filled and gratitude-rich **Thanksgiving!**

CHERYL R. FRANK: President
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Fall 2025 E-Newsletter

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\$50 Starbucks Gift Cards for 3 Lucky Readers!

It's Fall, so you know what that means? Nope, not trees turning golden, or drizzle changing the season, or wind blowing our hats — its Starbucks Pumpkin Spice Latter time!. Speak to any crazed teenaged Starbucks lover!

Despite the coffee shop's announcement recently that they are closing a number of stores nationwide, fear not, there are still thousands of Starbucks all over so you can get your caffeine fix with extra whipped cream. Simply answer this easy question to get your \$50 Starbucks gift card.

Which article in this Fall edition of our newsletter interested you the most?

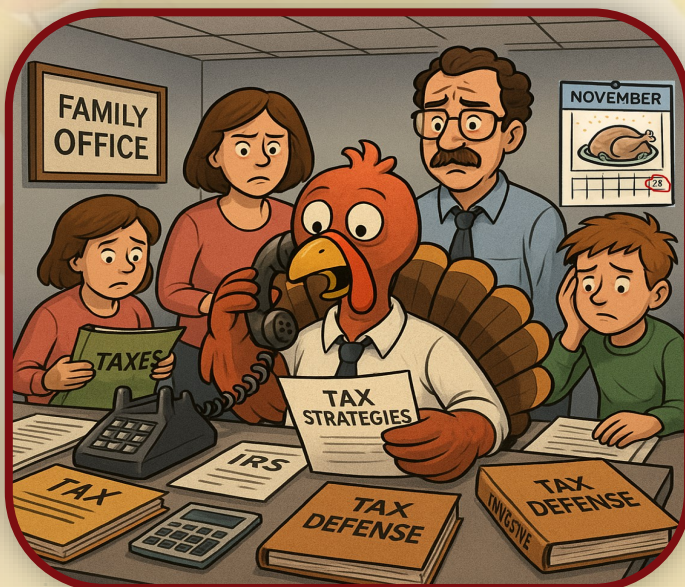
Send you reply by November 31st to our editor at: aferreira@bragertaxlaw.com

COMPETITION RULES:

- **Deadline is November 15th, 2025**
- **Brager Tax Law Group staff or their families may NOT participate.**
- **Decisions are final.**
- **Prizes are not transferable for cash.**



The Family Office Decoded: Tax Strategies, Defense, and Legacy



Do you know what a “Family Office” is?

Most people think it's literal — like a back room where Dad runs payroll for the kids' allowances, or a strip-mall suite where Aunt Linda manages her empire of dry cleaners. In reality, a Family Office can be the engine room for families who run operating businesses—restaurant groups, national salon chains, real estate portfolios—or all of the above. It's less about cubicles and staplers, and more about keeping wealth, compliance, and strategy in check so the family legacy doesn't unravel at tax time.

Family Office Representation (*No, Not the Spare Room with a Printer*)

At Brager Tax Law Group, we understand that family offices face unique IRS challenges related to sales tax, employment tax and income tax, when it comes to navigating increasingly complex tax and regulatory environments, managing wealth, and preserving legacies. A big part of our practice is working within the office space for mid-market companies. Our former IRS attorneys bring deep knowledge and practical experience to help family offices protect their assets while supporting long-term growth to help family offices defend themselves against any actions by the IRS, state income tax or sale tax office authorities.

Why Family Offices Choose Brager Tax Law Group (*Hint: It's Not for the Coffee Machine*)

- **IRS Insight:** Our team's background inside the IRS gives us a distinct advantage in tax litigation and controversy matters. We know how to anticipate and resolve issues before they become crises.
- **Middle-Market Expertise:** Family offices in the middle market often balance the sophistication of institutional wealth management with the personal priorities of closely held businesses and family assets. We provide strategies that bridge both worlds.
- **Tailored Solutions:** Every family office has different priorities—from succession planning and cross-border tax issues to compliance with the Corporate Transparency Act. We design approaches that align with the family's vision and evolving financial landscape.

A Trusted Partner for Generational Wealth (*And Holiday Dinners Without IRS Drama*)

The family office model is about more than just financial management—it's about protecting what matters most for generations to come. Brager Tax Law Group serves as a trusted partner, offering not only technical tax guidance but also insight into the broader business and regulatory environment.

The Middle-Market Difference (*No Leather Chairs Required*)

- **Ultra-High-Net-Worth Offices:** Often have multidisciplinary teams of attorneys, accountants, and compliance officers on staff.
- **Middle-Market Offices:** Leaner in structure, relying on trusted external partners like Brager Tax Law Group for specialized tax litigation and compliance.

Focus & Priorities - Middle-Market Offices:

Typically center around privately held businesses, real estate portfolios, and family-run enterprises, requiring practical legal strategies with their hands-on legal team and accounting advisors. We work hand in hand with corporate boards, accounting firms and management to protect the company from federal and state income tax, sales tax, and employment tax issues that may come up.

Risk Profile - Middle-Market Offices:

Face IRS scrutiny and regulatory obligations, but often without the same internal capacity as ultra-high net worth income—making outside legal counsel critical.

Continued on page 3.../

How We Help Middle-Market Family Offices (Spoiler: It's Not About Decorating the Office)

- **IRS Tax Litigation & Controversy:** Defense in audits, appeals, and collections.
- **Cross-Border & Expatriation Matters:** Strategies for families with international operations or mobility.
- **FBAR & Foreign Account and Investment Reporting:** Avoiding exposure to severe civil and criminal penalties.
- **Structuring for Closely Held Businesses:** Aligning tax strategies with business operations and family governance.

Real-World Scenarios (Yes, These Actually Happen)

- **Audit Exposure:** A family office managing real estate and operating LLCs was hit with an IRS audit across multiple entities. We limited the scope, resolved disputes, and built a defense framework for future audits.
- **Sales Tax:** Especially in California we see audits in the family office space in our practice every day.
- **Cross-Border Expansion:** A family office branching into Europe faced dual reporting risks. We structured an approach that met U.S. and foreign requirements without creating unnecessary tax burdens.

A Legal Partner, Not an Investment Manager (Because We Argue With the IRS, Not with Your Broker)

Brager Tax Law Group is not a wealth management firm. We do not manage investments or assets. Instead, we provide the specialized tax controversy and compliance expertise, and income tax, sales tax, and employment tax resolution that allows middle-market family offices to thrive. We defend your family offices from the IRS and aggressive California sales tax, employment tax and income tax matters. By resolving disputes, safeguarding compliance, and strengthening governance, we enable family offices to focus on what matters most: stewardship, growth, and generational continuity.

So, the next time you hear "Family Office," resist the urge to picture Ikea desks and a family crest on the letterhead. Think bigger: businesses, investments, tailored tax strategies, and multi-state (and international) compliance—all managed under one umbrella.

Because in the end, a strong Family Office isn't about the space—it's about smart strategies, solid defense, and keeping the family's future organized, protected, and maybe just a little less stressful than Thanksgiving dinner.

At Brager Tax Law Group, we don't sell office furniture, but we do defend Family Offices when the IRS or California tax authorities come knocking. We **ARE** your family office tax attorneys!

Leaving, Returning, or Renouncing? Know the Tax Law Before You Move!

Before packing your bags—or your balance sheet—it's crucial to understand how each move impacts your U.S. tax law obligations. Whether you're renouncing citizenship, returning home, or simply relocating abroad, each path carries distinct filing requirements, compliance traps, and potential legal consequences. [Brager Tax Law Group has designed an easy to follow guide which you can download here.](#) Our guide breaks down the essentials so you can plan wisely before deciding to make your international move.

	EXPATRIATION	REPATRIATION	EMIGRATION
What You Need To Know	 Renouncing citizenship of the USA	 Returning to the home country from the USA	 Leaving the USA to live in another country
Action	A formal, legal process of renouncing U.S. citizenship or relinquishing a green card.	The act of moving foreign-earned income and assets back into the U.S..	A U.S. citizen moving abroad to live and work in another country but retaining U.S. citizenship. Also applied to a green card holder moving abroad to live and work in another country, but retaining U.S. citizenship or their green card.
Effect on U.S. Tax Obligations	Ends most U.S. worldwide tax obligations but can trigger a one-time "exit tax" for high-net-worth individuals.	Income or gains that are repatriated may have tax consequences, even though the income may have been previously taxed overseas.	The U.S. citizen remains subject to U.S. tax on their worldwide income, regardless of where they live.
Special Considerations	The exit tax: The IRS treats a "covered expatriate" as if they sold all of their worldwide assets at fair market value the day before renouncing citizenship. Unrealized gains above an exclusion amount (adjusted annually for inflation) are subject to tax A covered expatriate is an individual with a net worth of \$2 million or more, an average annual net income tax liability over the last five years above a certain threshold, or who fails to certify tax compliance.	Individuals: Bringing foreign income back to the U.S. may trigger tax and reporting requirements. Foreign tax credits can be used to offset any double taxation Businesses: For multinational corporations, the 2017 Tax Cuts and Jobs Act made significant changes to the taxation of foreign earnings, largely removing the tax disincentive for bringing overseas profits back to the U.S.	Worldwide income: U.S. citizens are subject to U.S. tax on their worldwide income. They must continue to file U.S. tax returns annually Special tax benefits: Emigrants can use provisions like the Foreign Earned Income Exclusion and Foreign Tax Credit to reduce or eliminate their U.S. tax liability on foreign earnings Reporting requirements: The move may trigger the filing of information returns such as the Report of Foreign Bank and Financial Accounts (FBAR) or the Form 8938, "Statement of Specified Foreign Financial Assets" which is submitted to be in compliance with the Foreign Account Tax Compliance Act (FATCA)
Required Government Forms	Requires filing Form 8854, Initial and Annual Expatriation Statement, in addition to other necessary forms to formally notify the government.	Reporting is done on standard tax returns and international information reporting forms, such as FBAR or Form 8938, as required.	Requires the filing of a standard U.S. tax return, Form 1040, along with any necessary forms for foreign accounts or income, such as FBAR and FATCA Form 8938.

Don't Get High on Your Rental Income – It Could All Go Up in Smoke



Landlords: you know that dream tenant who always pays their rent on time and never calls you complaining about repairs that need to be done? Better make sure they're really a dream tenant or things could turn into a nightmare.

In 2022, Governor Newsom established a cannabis task force to crack down on illegal cannabis growers. In April of this year, his office announced that state officials confiscated more than \$316 million worth of illegal cannabis in the first quarter of 2025.

You're probably wondering why tax attorneys (and you) should care about this. Trust me, we do, and you should. When the government seizes illegal cannabis, it notifies the California Department of Tax and Fee Administration (the CDTFA for short). Why? Because, if that cannabis was sold legally, it would have generated tax revenue for the state government. So, illegal grows cost the state money. The CDTFA calculates how much the cannabis would be worth if it were sold legally, slaps on a 15% excise tax, and goes after anyone it can tie to the grow, including, you guessed it, landlords. And the 15% tax is just the beginning – we can't forget about penalties. There's a 10% failure to file a sales tax return a 25% "unlicensed person" penalty, and a whopping 50% failure to pay penalty.

Let's do a little math: \$316 million of cannabis seized translates to \$47.4 million of tax, plus \$40.3 million in penalties. Plus interest. That's a lot of green.

So, what does all this have to do with landlords? Think about it. Chances are the person renting the property doesn't have the pockets the landlord does, including ownership of the property itself. The CDTFA opens an audit, and it is up to the landlord to essentially prove a negative – that they had no idea their tenant was operating an illegal cannabis grow on the premises and therefore shouldn't be held liable.

What can landlords do to protect themselves? Glad you asked. A few of the things CDTFA auditors ask for: applicant credit checks, rental applications, lease agreements, utility bills, copies of income tax returns listing the rental property on Schedule E. Make sure the lease agreement states that cannabis is not allowed on the property. Perform periodic physical inspections of the property and document them. If the landlord is the one paying the utility bills or if the utilities are in the landlord's name and you notice an unusual increase in utility costs, investigate it immediately! And, most importantly, let our experienced attorneys go to bat for you if you get an audit notice.

Call Brager Tax Law Group for a complimentary consultation with one of our former IRS Tax Attorneys at 310-208-6200 or for more information visit: www.bragerlaw.com.



TAX RADAR



Taxpayer Trouble Signals: Insights from Cheryl's Desk

How Amended Tax Returns Without Supporting Documentation Will be Rejected by the Court

CPAs and tax return preparers beware. A new hiccup has arisen regarding amended returns claiming a refund. In a recent opinion, the United States Court of Federal Claims held that failure to provide supporting documentation when submitting an Amended Tax Return seeking a refund renders the refund claim deficient and precludes the claim from being reviewed by the Court.

In *Leopard v. United States*, 2025 US CI Lexis 2842 (Fed. Cl. Oct. 02, 2025), the United States Court of Federal Claims Court granted the United States motion to dismiss for failure to state a claim under Rule 12(b)(6) of the Federal Rules of Civil Procedure because the Taxpayer had failed to "duly file" an administrative claim for a refund with the IRS when they failed to attach any supporting documentation to the Amended Return supporting the revised figures seeking the refund.

In the *Leopard* matter, Mr. Leopard failed to timely file tax returns for 2010 and 2011. To calculate his outstanding balance for those years, the IRS prepared substitute tax returns for Mr. Leopard in 2015. This resulted in a tax liability of over \$115,000 for 2010, including penalties for late filing, late payment, and failure to pre-pay. By 2019, the amount owed had increased to over \$155,000 with interest. To satisfy that debt, the IRS seized money from Mr. Leopard.

On October 27, 2021, Mr. Leopard sought to recover \$140,294 from the IRS for the 2010 tax year. To do this, Mr. Leopard submitted an Amended Tax Return claiming that his gross income for 2010 was

rather than the \$228,453 the IRS calculated; this correction reduced his tax liability from \$77,045 to \$15,087.

In support of his claim for a refund, Mr. Leopard explained that "[t]he IRS prepared a so-called 'substitute return' for Mr. Leopard for the 2010 tax year that significantly overstated income. The attached Form 1040X shows the correct income and tax based on Mr. Leopard's records for the 2010 year." In the section of his Amended Tax Return where he was asked to explain why he was filing and to attach any supporting documentation, Mr. Leopard simply wrote, "[t]his amended return is being filed to correct the overstated income set forth on the substitute return prepared by the [IRS]." Mr. Leopard also submitted a letter alongside the forms reiterating similar assertions but failed to provide documentation substantiating the proposed income adjustments.

In granting the Government's Motion to Dismiss for Failure to State a Claim for which relief could be granted, the court held that Taxpayer's refund claim was not duly filed under I.R.C. §7422(a) because it lacked the necessary supporting documentation required by the Treasury regulations. In doing so, the court rejected the Taxpayer's arguments that his revised income figures alone were sufficient to inform the IRS of the basis for his claim. In its opinion the Court noted how taxpayers must provide meaningful documentation with refund requests to satisfy the administrative requirements for bringing a refund suit, and that unsupported assertions are insufficient.

Verbus Sapienti (a word to the wise) -- Going forward, income tax return preparers need to be cognizant that when preparing Amended Tax Returns for their client seeking a refund, merely asserting that a refund is due will not be sufficient. A robust explanation explaining why the refund is due, accompanied by supporting documentation, should be included with the amended return. Don't assume that the taxpayer will be given an opportunity to provide that documentation at a later date. If the IRS rejects the claim for a refund, the taxpayer will be barred from seeking redress in a court of law because the refund claim will not be considered duly filed under IRC §7422(a).

If you have a client who needs to file an amended return to claim a refund, reach out to our team of former IRS attorneys. We'll help you put together the complete package needed to overcome this new hurdle.

Call Brager Tax Law Group at 310-208-6200 or visit us at www.bragertaxlaw.com.