

Publications

IRS Ruling on Performance-Based Pay

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Last week, the IRS issued a Revenue Ruling addressing the scope of the “performance-based compensation” exception to the \$1 million deduction limitation under Code Section 162(m). The Revenue Ruling follows an outcry from public companies and their advisors over a recent private letter ruling on the same issue. In the attached memorandum, we summarize the Revenue Ruling and suggest steps that public companies should take in response.

[Permissible Payment Events for Performance-Based CompensationDownload](#)