

Publications

View From Groom: Discounted Stock Options in the Cross-Hairs of Section 409A Compliance

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It appears the Internal Revenue Service may be starting to go after easy targets under Section 409A of the Internal Revenue Code, including additional taxes on discounted stock options totalling almost \$3.5 million.

In *Sutardja v. United States*, the Court of Federal Claims confirmed that Section 409A applies to a discounted stock option when it ruled in favor of the United States on several key issues determined on summary judgment. In the attached article, the authors provide a summary of the relevant Section 409A rules and the recent development in *Sutardja*, along with a few general observations.

[Discounted Stock Options in the Cross-Hairs of Section 409A ComplianceDownload](#)