

Charles (Chaz) J. Lavelle

Partner



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Overview

Chaz Lavelle focuses his practice on tax controversy work, primarily before the Internal Revenue Service and U.S. Tax Court. He has over 40 years of experience in tax law matters, with an emphasis on the taxation of captive insurance companies. He has resolved scores of cases with the IRS relating to federal income, estate, excise, gift and estate taxes, penalties and interest.

Chaz' clients may be individuals, corporations, or owners of captive insurance companies who have been selected for audit or who are facing appeal.

Chaz was counsel in two of the five seminal cases concerning captive insurance: *Humana Inc. and Subsidiaries v. Commissioner*, 881 F.2d 247 (6th Cir. 1989) ("brother sister" captive insurance) and *Ocean Drilling & Exploration Company v. United States*, 988 F.2d 1135 (Fed. Cir. 1993) (substantial unrelated business captive insurance).

Chaz is a frequent contributor to the Captive Insurance Times. He is a fellow, and former Regent, of the American College of Tax Counsel and continues to be a nationally-recognized leader in the captive insurance tax area. In 2019, he received the Vermont Captive Insurance Association Service to the Industry Award.

Experience

- *Ocean Drilling & Exploration Company v. United States*, 988 F.2d 1135 (Fed. Cir. 1993) - substantial unrelated business captive insurance - Tax Counsel
- *Humana Inc. and Subsidiaries v. Commissioner*, 881 F.2d 247 (6th Cir., 1989) - "brother sister" captive insurance - Tax Counsel
- Resolution of dozens of cases relating to federal income, estate, gift and excise taxes, penalties and interest involving the health care, insurance, captive insurance, natural resources, fast foods, manufacturing, equine and other industries, including definition of insurance, taxation of HMOs as insurance companies, interest computations, mitigation provisions, investment credit, tax accounting, qualification for cash basis accounting, depreciation, accumulated earnings tax, air transportation tax, depletion, fringe benefits, black lung tax, reasonable compensation, valuation, capitalization and cost segregation.

Recognition

News

- Dentons recognized by Best Lawyers in America in 2022 rankings
- 77 Attorneys Across All Six Bingham Greenebaum Doll LLP Offices Named to 2020 Edition of Best Lawyers in America©
- Eight Bingham Greenebaum Doll LLP Attorneys Named "Lawyers of the Year" in the 25th Edition of The Best Lawyers in America©
- Eleven Bingham Greenebaum Doll LLP Attorneys Named 2018 "Lawyers of the Year" in the 24th Edition of The Best Lawyers in America©

Honors and Awards

- Selected for inclusion in *The Best Lawyers in America* for over 25 years in the fields of Litigation and Controversy - Tax; Tax Law
- Fellow, American College of Tax Counsel
- Named to Captive Review Power 50 List, 2013 - present
- Named to Captive Review ERC Pioneer 20 List, each year it was published
- *Best Lawyers in America* Louisville Tax Law "Lawyer of the Year", 2010, 2014, 2019; Louisville Litigation and Controversy - Tax "Lawyer of the Year", 2012
- Faculty, International Center for Captive Insurance Education
- National Science Foundation grants in Chemistry (twice)

In the Media

- Quoted in "Avrahami to become go to guide for tax court cases concerning small captives," *Captive Review*, June 26, 2018
- Quoted in "'Notice 2016-66 Remains Intact' as Court Dismisses CIC and Ryan Lawsuit," *Captive.com*, *Captive Insurance News*, November 8, 2017
- Quoted in "Captive insurers help cover risks that become ever more complicated," by Jerry Giesel, *Business Insurance*, October 29, 2017
- Quoted in two different articles of the International Treasurer - the *Journal of Global Treasury* and *Financial Risk Management*
- Quoted in "IRS Seeks Feedback on Captive Taxation," *National Underwriter* pp. 30-31, September, 2005

Insights

In addition to written materials for presentations, Chaz serves as author or co-author of other publications, including:

- Chapter 3 "Choice of Entity - Income Tax Considerations" and Chapter 9 "Federal Income Tax Aspects of Operation of an LLC," Limited Liability Companies in Kentucky, University of Kentucky Continuing Legal Education, 1994 revised 1999, 2014, 2019
- "Legal Considerations and Small Captives – How to Start a Captive 2019" - *Captive Review* - Authored by

Charles Lavelle, Ross Cohen and Brett Miller –May 9, 2019

- "U.S. Tax Court: A Pipeline of Small Captive Cases" – *Captive Review* – Author Charles Lavelle – June 26, 2018
- "*Avrahami v. Commissioner* – The Details" – *Captive Review* – Co Authors Charles J. Lavelle, Brett J. Miller and Ross D. Cohen - August 24, 2017
- "Section 831(b) – The Last Year in Review" – *Enterprise Risk* – Authored by Charles Lavelle, Ross Cohen and Brett Miller
- "Captive Start-Up Report 2016," *Captive Review*, May 17, 2016
- "Changes to 831(b) - What Now," *Captive Review*, February 2016
- "Electing to Succeed," *U.S. Captive Magazine*, April 2010
- Article in 36 Journal of Organic Chemistry 1003

Tax Law Insights

- IRS to Cryptocurrency Owners: "We know who you are," August 13, 2019
- IRS Provides Safe Harbor for 20% Pass-Through Deduction For Rental Real Estate, January 24, 2019
- IRS Continues to Release Guidance for the New Centralized Partnership Audit Regime, August 20, 2018
- New Partnership Audit Rules Amended by the Consolidated Appropriations Act, 2018, May 8, 2018
- IRS Finalizes Regulations for Opting Out of Centralized Partnership Audit Regime, February 5, 2018
- Tax Insights: Top 12 Tax Cuts and Jobs Act Changes Affecting Businesses and Their Owners, January 17, 2018

Activities and Affiliations

Community Involvement and Pro Bono

- Past Chairman, Kentucky Chamber of Commerce
- Past Vice-Chair, Leadership Kentucky Foundation
- Past President, Leadership Kentucky Alumni
- KCTCS Foundation
 - Past and Founding Director
 - Past Secretary
 - Past Treasurer
- Downtown Louisville Rotary Club
 - Past Second Vice President
 - Past Treasurer
 - Past Sergeant at Arms
 - Past Director

- Visiting Committee Emeritus, University of Kentucky Law School
- Past President, University of Kentucky Law Alumni Association
- Past Member, University of Kentucky Law Dean Search Committee (twice)

Presentations

- Captive Owners' Forum – "Captive Insurance Federal Tax Developments" – April 29, 2021
- Captive Insurance Tax Forum – Phoenix, AZ – "The Evolution of Captive Insurance Taxation", "Risk Distribution: Siblings or Strangers (Or Exposure Units?)"; "Procedural Overview of the IRS Audit Process", "Section 831(b) Election, Section 501(c)(15) and Consequences" and Panel - October 28 – October 29, 2019
- Captive Insurance Council of the District of Columbia – Annual Conference - Washington, DC – "Captive Tax Update" – October 22, 2019
- Self Insurance Institute of America – 39TH Annual National Educational Conference & Expo – "Captive Tax Update" – San Francisco, CA – September 30, 2019
- South Carolina Captive Insurance Association – "Update on Federal and State Tax Issues" – With Tom Jones and Bruce Wright – September 10, 2019
- North Carolina Captive Insurance Association – "Changes in Federal Tax Law and Internal Revenue Service Regulations 2018 – 2019" – With Tom Jones and Bruce Wright – August 21, 2019
- Self Insurance Institute of America – Webinar – "I Got An IRS Letter, Now What" – August 14, 2019
- Vermont Captive Insurance Association – "Captive Tax Developments" With Tom Jones and Bruce Wright – Burlington, VA – August 5, 2019
- Montana Captive Insurance Association – The Lodge at Whitefish Lake, MT – "I Got an IRS Audit Letter – Now What?" – July 17, 2019
- Kentucky Captive Insurance Association – Covington, KY – "Captive Tax Update with Focus on the Last Four Months" – June 12, 2019
- American Bar Association Tax Section Insurance Committee – Washington, DC - – with Alexis MacIvor, M. Chad Halpert, Peter Puzakulics, Kacie Dillon, Sheryl Flum – Moderator Chaz Lavelle – May 10, 2019
- Captive Insurance Companies Association – Tucson, AZ – Shaping the Future – "Big Tax Insights on Small Captives" – with Kacie Dillon; Sheryl Flum – March 10 – March 12, 2019
- Co-Teacher, "Forming and Operating a Captive" International Center for Captive Insurance Education – 6 session webinar class – Spring 2019
- University of Kentucky College of Law Students - Lexington, KY – "Introduction to Federal Tax Procedure" – March 19, 2019
- Captive Insurance Tax Forum – Miami, FL – "Evolution of Captive Insurance Taxation", "Procedural Overview of the IRS Audit Process"; "Sec 831(b) Election, Section 501 (c)(15) and Consequences"; Our Panel – February 25 – 26, 2019
- World Captive Forum – Business Insurance – Miami, FL – with Sheryl Flum, Jeremy Huish, Sr., & William White – "Small Captives: The Innovations and Dislocations" – January 30 – February 1, 2019
- South Carolina Captive Insurance Association – Charleston, SC – "Captive Tax Update" with Tom Jones, Bruce Wright – December 13, 2018
- Captive Insurance Tax Forum – Chicago, IL - "Risk Distribution: Siblings or Strangers"; "Section 831(b) Election Section 501(c)(15) and consequences"; "The Tax Man Cometh"; "The Evolution of Captive Insurance

Taxation” – October 29 – 30, 2018

- Self Insurance Institute of America – 38th Annual National Educational Expo – “Tax Law Developments Affecting Middle Market Captives” – Tucson, AZ - September 25, 2018
- North Carolina Captive Insurance Association – “Captive Tax Update” – With Bruce Wright – August 21, 2018
- Vermont Captive Insurance Association – “Captive Tax Update” – With Jeff Webb, Bruce Wright and Tom Jones – August 7, 2018
- Kentucky Captive Insurance Association – “Captive Tax Update” – Covington, KY – June 14, 2018
- Co-Teacher, “Forming and Operating a Captive” International Center for Captive Insurance Education – 6 session webinar class – Spring 2018
- Captive Insurance Companies Association – “The Challenge of Change” – Atlanta, GA - Avrahami and the Legal Landscape of Captives with Brandon Keim; John Dies – March 12, 2018
- Captive Insurance Tax Forum – February 26, 2018 – Atlanta, GA - Tax Summit Panel; “The Evolution of Captive Insurance Taxation”; “Section 831(b) election”, “Section 501(c)(15) & consequences”, “Risk Distribution: Siblings & Strangers (or exposure units?)”; “Pools and Other Third-Party Risks – What, Where, Why” with Arthur Kortsinsky
- American Bar Association Tax Section – San Diego, CA – “Captive Insurance Companies After Avrahami – What Happens Next?” with Kacie Dillon & Rachel Partain – January 30, 2018
- World Captive Forum – Business Insurance, Boca Raton, FL – “Pooling in Small Captives” – with Jeremy Huish; Mary Ann McMahon; Chuck Yates – January 30, 2018
- South Carolina Captive Insurance Association – “Exploring the Captive Tax Landscape – Recent Developments and What Might be Ahead” –Charleston, SC with Bruce Wright and Tom Jones – December 6, 2017
- Bloomberg BNA – Washington, DC – Tax Summit Panel *Avrahami v. Commissioner*; “Evolution of Captive Insurance Taxation”; “Risk Distribution”; “Pools & other third party risks” (with Arthur Koritzinsky); “Section 831(b)” – October 24, 2017
- Vermont Captive Insurance Association – “Tax Update: Intelligence Briefing” with Bruce Wright, Tom Jones & Anne Marie Towle - August 8, 2017
- Kentucky Captive Insurance Association – Covington, KY – “Captive Legal and Tax Insights” – Charles Ruchelman & Chaz Lavelle – June 16, 2017
- Western Regional Captive Insurance Counsel – Policy and Politics – Salt Lake City – “Impacts on ERC Captives” – with Ryan C. Work – May 23, 2017
- American Bar Association – ABA Tax Section, Wash DC, “The Latest on Captive Insurance Companies” – with Alexis MacIvor, John Glover and Kris Rizzolo – May 12, 2017
- Delaware Insurance Association – Developing Audit Cases – “The Status & Activities of Captive Owners Going to Court Against the IRS” – with Kacie Dillon – May 9, 2017
- Co-Teacher, “Forming and Operating a Captive” International Center for Captive Insurance Education – 6 session webinar class – Spring 2017
- Florida Tax Institute, Tampa, Florida – “Captive Insurance for Small Businesses” – March 29, 2017
- Captive Insurance Companies Association – San Diego, CA – “Tax Update” with Bruce Wright; Tom Jones – March 14, 2017
- Texas Captive Insurance Association – Austin, TX - “Captive Tax: Recent Developments and Future Activity” with Gary Bowers – February 16, 2017

- Bloomberg BNA – Las Vegas – “Pools and Other Third Party Risks – What, Where and Why” with Arthur Koritzinsky; “Risk Distribution: Siblings or Strangers (or exposure units?)”; “The Evolution of Captive Insurance Taxation”; Panel – February 14-15, 2017
- World Captive Forum – Boca Raton, FL – “Microcaptives: The Pros and Cons of 831(b)s” – Panel with Arthur Koritzinsky and David Provost, January 30, 2017

Memberships

- Current Chair, Captive Insurance Subcommittee of American Bar Association Insurance Companies Committee
- Current Vice-Chair, Captive Insurance Committee, Business Section, American Bar Association
- Past Regent, American College of Tax Counsel
- Past Chair, Professional Services Committee, American Bar Association Tax Section
- Past Vice Chair of Personal Service Organizations; Past Vice Chair of Closely Held Business Committee; Past Member Nomination Committee and Tax Court Appointment Committee
- Past Member, IRS Central Region Regional Counsel Advisory Group
- Past Chair and Vice Chair of both Southeast Region IRS - Bar Liaison and Central Regional IRS - Bar Liaison
- Member, Kentucky Limited Liability Company Initial Legislation Drafting Committee
- Past Chair, Kentucky and Louisville Bar Association Tax Sections
- Past Co-Chair, Bloomberg BNA Captive Insurance Tax Summit

Areas of focus

Practices

- Tax
- Tax in the United States
- Tax Litigation and Dispute Resolution

Industry sectors

- Captive Insurance Services

Education

- New York University, 1977, LL.M., Taxation
- University of Kentucky College of Law, 1975, JD,
- University of Notre Dame, 1972, BS, Chemistry Conc., high honors

Admissions and qualifications

- Kentucky

- US Court of Appeals for the Federal Circuit
- US Court of Appeals for the Sixth Circuit
- US Court of Federal Claims
- US District Court for the Western District of Kentucky
- US Supreme Court
- US Tax Court