

Sam Lichtman in New York Times: Tax-Avoiding Mergers Find Champion in U.S. Chamber of Commerce

August 5, 2016 Sam Lichtman

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The U.S. Chamber of Commerce filed a lawsuit on Thursday to block new rules issued by the Obama administration that prevent American corporations from merging with foreign-based companies and moving their headquarters abroad to save on taxes.

The business group, along with the Texas Association of Business, filed the lawsuit in federal court in Austin, Tex., saying the administration was overstepping its authority in issuing the rules. It is the Obama administration's third attempt to curtail the practice of corporate inversions.

The latest rules, issued in April, took aim at a planned \$152 billion merger of Pfizer, the American drug giant, with the Ireland-based pharmaceutical company Allergan. The companies scuttled their merger plans shortly after the rules were released.

Both Pfizer and Allergan are members of the Chamber of Commerce.

"If the defendants' rule is permitted to stand, it is not just mergers that will suffer — it is the rule of law, and the certainty and stability required for effective commerce, markets and economic growth, that are truly threatened by the defendants' unauthorized and unlawful action," the plaintiffs said in their filing ...

"The fact that the regulations appear to have been tailored to target the Pfizer-Allergen transaction rather than a specific policy goal strengthens the Chamber's argument," said [Sam Lichtman](#), a tax partner at Haynes Boone, a law firm in New York.

Excerpted from the New York Times. To read the full article, please [click here](#) (subscription required).