



# TaxNewsFlash

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## KPMG report: Possible penalty exposure, cost-sharing agreements and stock-based compensation (pending appellate court case)

Taxpayers are currently waiting to see whether the U.S. Court of Appeals for the Ninth Circuit sustains or reverses the U.S. Tax Court in a case concerning the U.S. cost-sharing regulations.

Taxpayers that have not been sharing the costs of stock-based compensation may be exposed to penalties—particularly the transfer pricing net adjustment penalty.

A KPMG report discusses why taxpayers may be exposed to penalties, what affirmative defenses may be available, and how KPMG can help taxpayers document their position for tax provision and other purposes.

Read a [January 2019 report](#) [PDF 86 KB] prepared by KPMG LLP: *What's News in Tax: Taxpayers with cost-sharing agreements that stopped sharing stock-based compensation after the Tax Court "Altera" decision could face penalty exposure should the IRS prevail in the Ninth Circuit*

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