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Ninth Circuit denies en banc rehearing, section 482 stock-based compensation case

The U.S. Court of Appeals for the Ninth Circuit today denied a petition for rehearing en banc of the Ninth Circuit's decision from June 2019 upholding Treasury regulations under section 482 that require participants in a qualified cost-sharing arrangement to share the cost of employee stock-based compensation and reversing a decision of the U.S. Tax Court.

Read today's Ninth Circuit's [order](#) [PDF 106 KB] denying the rehearing en banc (that includes dissents from the denial). The case is: *Altera Corp. v. Commissioner*, Nos. 16-70496, 16-70497 (9th Cir. 2019)

In June 2019, the Ninth Circuit reversed a 2015 decision of the Tax Court that had invalidated a Treasury regulation under section 482 (Reg. § 1.482-7A(d)(2)) that requires participants in a qualified cost-sharing arrangement (QCSA) to share the cost of employee stock-based compensation.

Read [TaxNewsFlash](#) for a KPMG report on the June 2019 decision by the Ninth Circuit.

What's next?

With today's action, the next step would be for the taxpayer to seek review by the U.S. Supreme Court, by filing for certiorari.

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