



## Andrew H. Lee

Partner

[alee@kelleydrye.com](mailto:alee@kelleydrye.com)

New York  
(212) 808-7859

### About

Tax law is all about detail, nuance, and complexity, and Andrew Lee is a master of all three. Focusing his practice exclusively on taxation matters, Andrew develops understandable, effective, and practical solutions that minimize burdens and maximize advantages for businesses and individuals.

As both a counselor and advocate, he guides his clients through the intersecting web of federal, state, and local tax laws with clarity and insights that come from his prior experience as a senior attorney with the Office of Chief Counsel of the IRS.

Clients and colleagues alike appreciate Andrew's commitment to finding efficient approaches to problem-solving and viable paths that allow his clients to pursue and consummate their transactions or resolve potentially contentious tax audits.

Over more than two decades of tax practice, Andrew has assisted clients across a wide range of industries with tax matters related to their most consequential transactions, including mergers and acquisitions, financings, and transfer pricing.

Leveraging his first-hand experience working at the IRS, Andrew has amassed a lengthy and proven track record of reaching favorable, expeditious resolutions of disputes and issues with federal, state, and local taxing authorities. He understands the priorities and perspective of the IRS and other taxing authorities and knows what they require to find in favor of his client's position. Andrew can also establish immediate credibility and rapport with tax auditors when and where it is needed most. Andrew has enjoyed particular success in eliminating international tax penalties, which the IRS is often quick to impose on businesses and individuals engaged in legitimate cross-border transactions.

Andrew provides comprehensive tax counsel to telecommunications service providers, including in connection with their purchases and sales. He also frequently represents telecommunications service providers before state and local taxing authorities regarding tax audits and appeals.

### Experience

#### Federal

Routinely negotiates tax provisions in credit agreements and related documents in connection with loans from banks and other lenders. Where applicable, identifies potential Internal Revenue Code

Section 956 issues and negotiates terms in credit agreements minimizing Section 956 risk.

Routinely negotiates tax representations and warranties and tax indemnity provisions in stock purchase and asset purchase agreements. Ensures that acquisition structures, including tax-free structures relying on Code Section 351 or reorganization provisions, achieve his clients' tax objectives.

Ensures that clients seeking benefits under Code Section 338(h)(10) or otherwise seeking a stepped-up basis achieve the desired benefits, and negotiates the allocation of benefits and burdens of elections between buyers and sellers.

Routinely prepares partnership agreements, including LLC operating agreements. Negotiates the selection of Section 704(c) allocation methods. Provides tax guidance to private equity funds in connection with the acquisition of portfolio companies.

Counsels clients regarding the potential impact of ownership changes on tax attributes. Provides guidance to clients regarding limitations on the usage of net operating losses by members of consolidated groups.

Routinely counsels clients regarding withholding tax obligations and exposure under Code Sections 1441 and 1442 and under FATCA.

Counsels hedge funds regarding structural issues, including the use of management companies, and the implementation of master feeder structures, etc.

Provides guidance in connection with the formation and operation of liquidating trusts, including disputed ownership funds.

Provides guidance in connection with forward and reverse Section 1031 exchanges, including identification of property eligible for exchanges and procedures for executing exchanges.

Provides guidance to clients regarding FIRPTA withholding and exceptions to FIRPTA withholding.

Obtained an IRS determination letter waiving tax on excess net passive income of an S corporation.

Negotiated a purchase price allocation in connection with a sale under Bankruptcy Code Section 363 of U.S. and Canadian assets. Following the asset sale, identified and successfully pursued a multimillion-dollar federal refund claim based upon a five-year carryback of net operating losses.

Obtained an IRS private letter ruling concluding that the termination of a corporation's S election was inadvertent and that the corporation therefore remained an S corporation.

## State and Local

Routinely provides advice to telecommunications service providers in connection with the identification of state and local tax nexus and the apportionment of telecommunications services and ancillary services.

Obtained a favorable private letter ruling from a state taxing authority regarding the apportionment of revenue from telecommunication services.

Obtained a favorable private letter ruling from a state taxing authority regarding the incidence of fuel excise tax.

Represented the sellers in connection with indemnity claims by a purchaser for state and local taxes imposed on the target company following the sale of a business.

## Controversy

Litigates and/or negotiates settlements of docketed U.S. Tax Court cases.

Represents clients undergoing federal tax audits. Represents telecommunications carriers in connection with state and local tax audits.

Routinely represents clients making voluntary disclosures pursuant to the IRS's Offshore Voluntary Disclosure Program, or where taxpayers' offshore assets have been detected without a voluntary disclosure.

Successfully negotiated reduced penalties for the failure to file FBARs and related forms. Successfully established reasonable cause for the failure to file Forms 5471.

Provides guidance in connection with the tax treatment of settlement amounts and attorneys' fees.

Successfully persuaded the appeals office of a state taxing authority that "Lifeline" telephone service should not be subject to state sales tax.

## Honors

*The Best Lawyers in America*® (Woodward/White, Inc.), Tax Law, 2026.

### Related Services

Corporate and Tax

Tax

Blockchain and Cryptocurrency

Nonprofit Organizations

Corporate Transparency Act (CTA)

Delaware Statutory Trusts (DSTs)

### Education

New York University, LL.M.

New York University School of Law, J.D.

Brown University, A.B.

### Admissions

New York

Massachusetts

### Courts

U.S. Tax Court

U.S. District Court–Southern District of New York

U.S. District Court–Eastern District of New York