

Five Questions With Olshan Tax Partner Kuang-Chu ‘K.C.’ Chiang

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K.C. Chiang

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Bloomberg Tax Insights & Commentary is featuring a recurring questionnaire of prominent tax professionals who are willing to share their thoughts about their work and the practice of tax these days. We kick off the series with , a corporate tax partner at Olshan Frome Wolosky in New York.

What is the biggest challenge that tax practitioners are facing in 2026?

The biggest challenge lies in the positioning of tax practice to keep up with AI that is evolving with unprecedented speed, and to meet and surpass clients’ expectations. The newest AI models exhibit markedly stronger analytical capabilities. Their ability to absorb intricate factual scenarios and produce cogent, well-reasoned output is advancing so rapidly that none of us can ignore AI any longer.

It seems inevitable that many of our clients, non-tax colleagues, and even the IRS will (if they haven’t already) deploy AI before engaging with us. We must anticipate this shift and invest in addressing the risks and opportunities.

The tax team in my firm is focused on accelerating AI adoption, ensuring responsible oversight for quality and accountability, and exploring practical and value-add applications for clients. In an environment increasingly shaped by AI-augmented decision-making, the difficulty of the challenge only heightens.

What tax case is no one watching that they should be?

A dispute in US Tax Court, [Point72 Asset Management LP v. Commissioner](#), has moved into a pivotal stage as both sides seek either to capitalize on or sidestep the US Court of Appeals for the Fifth Circuit’s Jan. 16 majority opinion in [Sirius Solutions LLLP v. Commissioner](#).

Although the controversy centers on the ostensibly narrow question of who qualifies as a “limited partner” for self-employment tax (SECA) purposes, the implications could be far broader if the matter ultimately reaches the US Supreme Court.

Should the high court embrace a bright-line approach that meaningfully contracts SECA, the IRS, supposedly constrained post-[Loper Bright](#), could find themselves with further limited room to maneuver or forced to pursue statutory relief. Conversely, if the justices endorse the approach

taken by the IRS, it could reinforce similar substance-focused approaches even in light of *Loper Bright*.

What tax issue keeps you up at night?

When structuring complex transactions, particularly with clients pursuing tax-free treatment, tax issues will stem from tightly interwoven technical requirements and the expectation that we will create real value.

The statutory framework interacts in ways that can catch even sophisticated parties off guard. Whether it's a small change to governance, or an unexamined step in the sequence, the chance is real that it can jeopardize the tax-free treatment, sometimes unnoticed until the 11th hour.

Clients expect us to spot the risks and to craft solutions that preserve tax deferral while advancing their commercial objectives. The combination of technical interconnectedness, high-stakes decision-making, and the need to translate dense rules into tangible, defensible value for clients can be demanding.

What's the biggest lesson you learned in your early years of practice?

In my first few years as an attorney, I focused heavily on absorbing as much technical material as I could. I became proficient at research, analysis, and writing lengthy memoranda, and I worked hard to memorize Internal Revenue Code sections and regulations.

What I slowly realized was that it was more important to understand how those rules worked in reality, for clients who wanted clarity, judgment, and actionable explanations, not just recitations of the law.

A good tax lawyer seeks to know the law; a better one finds solutions. But the most effective tax lawyer communicates well, sees both the trees and the forest, and understands business nuance and practical consequences. A long email filled with jargon and ruling citations has its training value and provides crucial support, but a young lawyer should pause at some point and think about how to become a thoughtful adviser and communicator.

What is one section of the tax code that you'd like to change?

I have several long-standing pet peeves in the tax code. For example, deal complexity would drop dramatically if the tax rate differential between capital gains and ordinary income simply disappeared.

One can debate policy merits of many provisions endlessly, but the anti-churning rule in [Section 197\(f\)\(9\)](#) stands out as one of the least defensible holdovers. Enacted in 1993 as a narrow transition backstop, it now functions largely as deadweight. It forced taxpayers to reconstruct decades-old ownership, wrestle with "relatedness" tests, and design cumbersome multi-step structures to preserve the amortization that the section was intended to offer.

Its continued application creates arbitrary, deal-distorting results driven more by technical attribution and “series of related transactions” concept than by economic substance, which far outweigh any remaining anti-abuse value. It is time to repeal Section 197(f)(9), or at the minimum sunset or modernize it and rely on general anti-abuse doctrines to address genuine concerns.

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