

Should I Get an LL.M. in Taxation?

by John G. Hodnette

A few times a year, I receive an email or call from a law student or young attorney who is trying to decide whether or not to pursue an LL.M. in Taxation. Not long ago, I was that law student considering whether or not to suspend my foray into the real world by extending my law school career from an interminable three years to the insurmountable sounding four. I ultimately decided to take the plunge and went straight into the University of Florida's LL.M. in Taxation program the fall after graduating from law school. It was one of the best decisions I have ever made.

What is an LL.M. in Taxation?

An LL.M. (from the Latin *Legum Magister*) is, in the context of the American educational system, a master of laws degree. LL.M.s are available in the United States only to those who have already obtained an American law degree or, in some cases, the foreign equivalent. An LL.M. program takes one year to complete and is concentrated on a particular area of law.

Reasons Not to Obtain an LL.M. in Taxation.

Those more cynical of the concept of post-Juris Doctor education sometimes refer to an LL.M. as "Lawyers Losing Money" because of the large cost and perceived lack of career enhancements. Some initially consider obtaining their LL.M. as a way to add luster to an otherwise underwhelming law school resume. If that is why you are thinking about getting an LL.M., I would urge you not to. Excellent performance in an LL.M. program, although admirable, will not likely erase poor performance in law school. Moreover, getting into one of the top ranked LL.M. programs in a particular subject matter will not erase the fact that your J.D. is from a lower ranked school. There are a number of LL.M. specializations; however, Taxation is widely considered to be one of the varieties of LL.M. that is most valuable. This article only discusses the LL.M. in Taxation.

What is Obtaining an LL.M. in Taxation Like?

If you are considering an LL.M. in Taxation because of your strong interest in tax law, you are on the right track. An LL.M. can springboard your tax career by separating you from other attorneys as a true tax expert. Tax laws affect nearly every aspect of law and constantly change. Clients need tax law experts to assist them. Both law and accounting firms will actively seek out Tax LL.M.s to fill those valuable roles. The decision to defer a year of gainful employment in the workforce

and instead incur potentially tens of thousands of dollars of debt to obtain an LL.M. in Taxation, however, is not to be taken lightly. It is important to be sure that this is what you really want.

Those who obtain an LL.M. in Taxation are true tax nerds. Before making the decision to pursue an LL.M., be sure to take as many tax classes as your law school offers to be certain that you truly love it. Tax law is not for everyone—some people love it and some people hate it. Entering into an LL.M. in Taxation program is making the decision to voluntarily immerse yourself in tax law for an entire year. It can be an excellent experience for a tax nerd, but a tortuous one for someone who doesn't fit that description. Tax LL.M.s rattle off Internal Revenue Code sections to one another the way sports fanatics discharge statistics about their favorite team. If staying late in the library pouring through the Treasury Regulations sounds like a great Friday night to you, then send in your application right away.

Which LL.M. in Taxation Program Should I Choose?

Not all LL.M. in Taxation programs are created equal. It is almost universally agreed that, as of the date of the publication of this article, the top three LL.M. in Taxation programs are New York University ("NYU"), Georgetown, and the University of Florida.

NYU is recognized year in and year out as the most prestigious of the three. Georgetown and Florida sometimes swap places for second and third place, but Georgetown generally holds the spot of second best program. NYU benefits from being in New York City, providing easy access to the city's prestigious law firms. Likewise, Georgetown benefits from being in the District of Columbia, allowing its graduates to find placement in prestigious D.C. firms as well as into roles as clerks for the Tax Court judges. The University of Florida may be slightly more prestigious in the areas of estate and gift tax as compared to the other two programs, in part, perhaps, because of the number of hyper-wealthy retirees who find themselves in the state of Florida when establishing their estate planning documents.

The University of Florida also has the benefit of being by far the most cost effective of the three programs. While NYU and Georgetown both boast tuitions of over \$60,000 per year, Florida's current tuition cost is about \$22,000 for in-state students and \$38,000 for out-of-state students. In addition, both NYU and Georgetown are located in some

of the most expensive cities in the United States. The University of Florida is located in Gainesville, which, in contrast, has a cost of living below the national average.

The top three LL.M. programs, however, are not the only programs that might be worthwhile for you. Northwestern, Virginia, Columbia, and Stanford are the current fourth, fifth, and sixth best programs (Columbia and Stanford tied for sixth) according to the U.S. News and World Report 2019 “Best Tax Law Programs” ranking.¹ As with selecting law schools, the location of the school can be important. If you are planning to practice in a jurisdiction that has a reputable LL.M. in Taxation program, it may be the best decision for you to obtain your degree there rather than in another state with a higher ranked program.

Who Hires Tax LL.M.s?

The major hirers of LL.M. graduates are the “Big Four” accounting firms (Deloitte, KPMG, Ernst & Young, and PricewaterhouseCoopers), the Internal Revenue Service, the U.S. Tax Court, and the tax groups of law firms. Each of these career paths has pros and cons.

The Big Four are prestigious Fortune 500 companies that provide tax advice to some of the biggest companies in the world. Their resources are endless—as is your opportunity to move geographically and yet stay within the company. Many of the Big Four offer international work placement opportunities and boast excellent benefits programs. The base salary for a starting position at such an accounting firm, however, is generally lower than you would find at a law firm because a law degree is not a requirement. Your position within the company would not likely be as a lawyer and some of your co-workers will be certified public accountants rather than other lawyers.

Working for the Internal Revenue Service as tax counsel or with the U.S. Tax Court as a law clerk can be a prestigious next step for your career. As Internal Revenue Service tax counsel, you would advise field agents on difficult legal questions raised by the taxpayers’ counsel. You may also assist with representing the Internal Revenue Service in Tax Court litigation. Working for the government comes with unique benefits including pensions, a less stressful work environment, and potential student loan forgiveness.

Working for the U.S. Tax Court is a more temporary move. Few attorneys remain with the Court for their whole career. Rather, they move to D.C. to sit with a particular Tax Court judge for a few years and assist with the writing of Court opinions. This is excellent experience, particularly if you intend to appear before the Tax Court in the future as a private tax controversy litigator.

Working for the Internal Revenue Service or the U.S. Tax Court will not compensate you as well as working in private practice; however, many large law firms provide starting bonuses in the form of large cash compensation for new hires with this experience.

Finally, working in private practice for the tax group of a large law firm can be incredibly rewarding. There are a large number of different practice areas in a law firm that benefit from strong tax knowledge. Tax lawyers can specialize in Individual Income Taxes, Business Taxation (including Partnership and Corporate), Estate and Gift Taxation, Taxation of Income of Trusts and Estates, International Taxation, State and Local Tax, Taxation of Tax Exempt Organizations, or a combination of all of these. Additionally, private practice will provide you with a larger starting salary than the other career paths.

Should I Get an LL.M. in Taxation?

Tax law is challenging and exciting, ever changing and always relevant. Obtaining my LL.M. in Taxation was the right decision for me, and it might be the right decision for you. As a young lawyer, you may be looking for a way to separate yourself from your peers. Obtaining a LL.M. in Taxation makes you part of an elite club of tax experts. If that is something that excites you, I encourage you to speak with your tax law professors and with the representatives of the LL.M. in Taxation programs you are considering. They will be happy to help you make the right decision.



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Endnotes:

¹See <https://www.usnews.com/best-graduate-schools/top-law-schools/tax-law-rankings>.