



→ Justin J. Hepworth

Partner
650 Town Center Drive
Tenth Floor
Costa Mesa, CA 92626

T: +1.714.424.8293
F: +1.714.428.5952
jhepworth@sheppardmullin.com

Justin Hepworth is a partner in the Tax and Estate Planning Practice Group in the firm's Orange County office.

Areas of Practice

Justin's practice encompasses a broad range of state and local tax matters, from planning, compliance, and transactional matters to controversy matters in audit and through litigation.

Justin regularly advises clients on state and local tax implications of restructurings, mergers, acquisitions, spinoffs, and asset sales. He advises on audit defense, voluntary disclosure, unclaimed property (escheat law), and other controversy and compliance matters. He has extensive experience handling a broad range of multistate issues, including nexus, sales and use tax exemptions, sourcing and characterization, research and development credits, unitary business matters, California Prop. 13 change in ownership issues, and residency planning and audits.

Justin is a member of the Tax Sections of the California, Texas, and American Bar Associations. He is a frequent speaker on state tax matters at conferences throughout the country, including those sponsored by the American Bar Association, the State Bar of California, Taxation Section, and Tax Executives Institute (TEI).

Experience

Represented numerous California taxpayers in income tax residency audits and disputes, including sourcing of stock options and related petition for recovery of attorneys' fees.

Represented a large information services company in a California franchise tax protest of the Franchise Tax Board's disallowance of claimed research tax credit.

Represented numerous taxpayers in Los Angeles business license tax audits.

Represented a large company in a Texas franchise tax unitary business dispute.

Represented a large event services company in a California sales and use tax audit.

Represented a large information services company in appeal and litigation of an Illinois business/nonbusiness income issue.

Represented a large SaaS company on multistate issues regarding characterization and taxability of services for indirect tax purposes, including planning, voluntary disclosure, and audit defense.

Represented various California commercial solar developers and investors on a myriad of California tax issues, including sales and use tax and property tax exemptions.

Articles

- Tax-Saving Tips for the Texas Manufacturing Exemption, *Journal of State Taxation (CCH)*, March-April 2011.
- Texas Comptroller Amends Position on Amended Margin Tax Return Deductions, *Corporate Business Taxation Monthly (CCH)*, December 2010.

Books

- Cloud Computing Legal Deskbook, Chapter 7: Tax Issues in the Cloud, Thompson Reuters, 2015-2017 editions.

Blogs & Client Alerts

- "The Expanded Reach of States for Sales & Use Tax Purposes – More Than Just e-Commerce Retailers are Impacted," May 19, 2021
- "Maryland Breaks Ground with Digital Advertising Tax," March 17, 2021
- "The Results Are In – California State and Local Tax Ballot Measures," November 13, 2020
- "Splitting The Roll – Commercial And Industrial Property Owners May Face Significant California Property Tax Increases Starting As Early As The 2022-2023 Fiscal Year," July 30, 2020
- "California Tax Relief Available to Businesses," April 6, 2020
- "Updated: Treasury and IRS Extend Time to both File and Pay Federal Income Taxes to July 15th; States Taking Their Own Approaches on Income and Similar Taxes", March 20, 2020
- "Limited-Time Tax Amnesty for Marketplace Sellers," August 29, 2017
- "Monumental Shift in Sales Tax Collection Requirements for Remote Retailers," June 27, 2018
- "New California Documentary Transfer Tax Implications for M&A Deals," June 7, 2017

Speaking Engagements

Contrasting California and New York Current Trends in Income Taxation, TEI Silicon Valley Chapter State and Local Tax Day, April 19, 2018.

South Dakota v. Wayfair. What Are the Implications, However Decided?, TEI Silicon Valley Chapter State and Local Tax Day, April 19, 2018.

California's Department of Tax and Fee Administration, Office of Tax Appeals, and Other State Administrative Updates, TEI Silicon Valley Chapter State and Local Tax Day, April 19, 2018.

Multistate All-Tax Update on Hot Topics, TEI Silicon Valley Chapter State and Local Tax Day, April 19, 2018.

Real Estate Transfer Taxes and Changes in Entity Ownership – Avoiding Pitfalls, American Bar Association, Tax Section, 2018 Midyear Meeting, February 9, 2018.

The Market Based Sourcing Rules: Flexibility is Good, Right?, California Tax Bar and California Tax Policy Conference, October 27, 2016.

State Tax M&A Considerations, TEI Orange County Chapter State and Local Tax Day, May 11, 2016.

Transactional Taxes, TEI Orange County Chapter State and Local Tax Day, May 11, 2016.

Recent Developments in SALT Litigation, TEI Orange County Chapter State and Local Tax Day, May 11, 2016.

Successes and Setbacks – Recent Developments in SALT Litigation, TEI Silicon Valley Chapter State and Local Tax Day, April 21, 2016.

Don't Forget About Us – State Tax M&A Considerations, TEI Silicon Valley Chapter State and Local Tax Day, April 21, 2016.

Texas Tax Update: Key Developments in Margin, Sales and Property Taxes, Webcast, 2013.

Limiting and Challenging Nexus with Texas, Webcast, April 19, 2012.

Unclaimed Property Update, Webcast, February 9, 2012

What Nortel Really Means For Your Business in California, Webcast, October 6, 2011

Events

What You Need to Know About COVID-19, Telemedicine and the Potential Tax Implications
Webinar, 02.10.2021

Podcasts & Webinars

Nota Bene Episode 126: Sales Tax by State: What It Means for Your Business with Justin Hepworth
05.19.2021

What You Need to Know About COVID-19, Telemedicine and the Potential Tax Implications
02.10.2021

Practices

Corporate Tax

Real Estate Tax

State and Local Tax

Tax

Tax Controversy and Litigation

Industries

Multifamily Housing

Retail

Education

J.D., Tulane University, 2010, *magna cum laude*, *Order of the Coif*, Managing Editor of the *Tulane Law Review*

B.S. University of Idaho, 2006

Admissions

California

Texas