



Cases in Brief

HERBERT KOHLER, JR. ET AL. V. COMMISSIONER, T.C. MEMO 2006-152, JULY 25, 2006

This was an estate case in which the decedent's minority interest in Kohler Co. (plumbing fixtures) was disputed. The decedent listed \$47 million at fair market value and the service asserted \$145 million. In this case the Tax Court ruled entirely for the estate and gave the IRS appraiser's valuation report no weight. Combined discounts approached 50%. The case is extraordinary in that the Tax Court was troubled that the expert's report was not submitted in accordance with the Uniform Standards of Professional Appraisal Practice and the appraiser missed an important valuation method. The IRS appraisal expert's conclusions were found "to be incredible."