

Schler a Finalist in Tax Analysts' 2016 Tax Person of the Year



Michael L. Schler

Tax lawyers in the private sector all owe a debt of gratitude to Cravath, Swaine & Moore LLP for keeping Michael Schler gainfully employed and out of the government, for if he were writing the rules, taxpayers — especially multinational corporations — wouldn't have as many opportuni-

ties to avoid paying taxes. Or so they say. But in fact, Schler has managed to have significant influence on the shape of tax policy during the more than 40 years that he's practiced law at Cravath.

Schler is an intellectual powerhouse behind the New York State Bar Association Tax Section Executive Committee, which meets monthly to review and shape detailed reports on the latest tax policy developments, offering suggestions to the IRS and Treasury for how to write fair and equitable rules that are in the public's interest and not solely in the interest of a law firm's clients. Often it's his thoughts on a draft report — even though he may be in the minority — that serve as the starting point for discussion, and not the report itself.

Although Schler technically retired as a Cravath partner at the end of 2014, he continues to remain as active as ever, coming into the office around 11 a.m. and leaving for the day around 8 p.m.

"Mike knows more tax than any tax lawyer I've ever met," said Cravath partner Andrew W. Needham. The tax department at one of Schler's longtime clients was so impressed by his skills that it created an internal award (appropriately named the Schlery) for any attorney who can stump him — a rare feat.

Cravath partner Stephen L. Gordon says Schler is a sage whom partners seek out to acid test all their tax matters. "He's brilliant in a way that very few people are," Gordon said. When Schler was a freshman at Harvard University majoring in pure math, he scored the highest grade in the country on the actuarial exam.

"He's very straightforward, he has very little filter on what he says, and he just always speaks the truth," Gordon said. "He is somewhat iconoclastic. He is — in public — not influenced by client interests, and it's remarkable. There's almost no one else like that."

At times, Schler is ridiculed by some in the tax bar for his views — which can be more pro-government than the government's views are. But many silently agree with him. And there are those — especially in the government — who wish more people like Schler would step up and advocate for sound tax policy at tax law conferences and in public comments.

Those who hear Schler speak up at conferences may believe that he's always advocating for the government, erring on the side of conservative positions when advising clients. They could not be more wrong. "At the office, he wears a completely different hat. When he's advising firm clients, his one and only goal is to minimize their tax liabilities under current law without regard to the policy implications," Needham said. "It's that he understands the difference between law and policy and cares so deeply about both that makes him such an effective tax lawyer. The clients who work with Mike just adore him."

Gordon noted that because Schler always speaks the truth — even when it isn't in his client's interest — the government listens when he makes a tax policy recommendation that happens to support a client's position. "That credibility is more valuable than a client being pleased or displeased about any one thing that gets said."

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