

Scott W. Dolson

Partner

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Practice Areas

Corporate Law

Acquisitions & Divestitures

Closely Held Business Transactions

Health Care

Mergers & Acquisitions

Private Equity & Venture

QSBS & Tax Planning Services

Startups & Emerging Businesses

State & Federal Income Tax Compliance

Tax

Bar Memberships

Kentucky

Scott is the leader of the firm's tax planning team and co-chair of the firm's private equity industry team. The scope of Scott's tax practice encompasses tax planning for business formations, ownership arrangements, LLC agreements and M&A transactions. Scott's corporate practice extends to handling M&A transactions, equity compensation arrangements and general corporate law matters.

Scott is recognized for his tax planning work with founders, investors, and businesses with respect to their qualified small business stock (QSBS) issues. Scott has written numerous articles addressing QSBS planning issues, and he has developed a national practice handling Section 1202 and 1045 issues. Scott's focus is on securing and maximizing Section 1202's generous tax benefits for his clients.

Scott has represented companies, founders, investors, management teams, executives, PE sponsors, family offices and individuals across a wide variety of industries, including healthcare, direct marketing, gaming, industrial and commercial real estate development, distributorship, software and hospitality. Scott applies his expertise and experience to assist clients in achieving their business objectives, whether that means limiting an exposure to contingent liabilities or finding the most tax efficient structure for a business transaction.

Scott's Relevant Experience

Tax Experience

Scott Dolson and Frost Brown Todd's tax planning team have substantial expertise and experience handling tax planning for corporations, S corporation and pass-through entities, including choice of entity planning, equity compensation planning and M&A planning.

The tax planning team's Section 1202 and Section 1045 work involves tax planning and implementation of planning ideas for founders, investors, venture firms, venture funds, PE firms, PE funds, family offices, wealth planners, investments bankers, accountants and attorneys, including (i) helping clients navigate through their choice of entity decision, and in particular their decision whether to operate as a C corporation with the hope of benefiting from the Section 1202 gain exclusion; (ii) helping client satisfy Section 1202's and Section 1045's eligibility requirements; and (iii) helping clients prepare for a potential future IRS audit by documenting their eligibility to claim the Section 1202 gain exclusion.

FBT's QSBS practice encompasses the following:

Assisting businesses:

- helping them make choice of entity decisions
- converting partnerships (LLC/LPs) to corporations, along with related start-up tax planning
- restructuring their businesses that are operating as S corporations for the purpose of positioning owners to reap various business and tax benefits, including the Section 1202 gain exclusion
- providing tax advice and tax opinions, when appropriate, with respect to Section 1202 and Section 1045 issues
- advising founders, management teams and investors with respect to Section 1202's and Section 1045's eligibility and documentation requirements
- restructuring business assets and activities to attain and maintain qualified small business status, including businesses engaged in multiple activities or with operating through subsidiaries or joint venture investments

- advising them with respect to the interaction of equity compensation arrangements with Section 1202
- advising them with respect to the interaction of various equity and equity rights, including convertible debt, SAFEs, stock options, and stock grants with Section 1202
- providing Section 1202 and Section 1045 tax planning in connection with M&A transactions, including those involving equity rollovers
- helping companies formulate their communications with investors, including representations and covenants supporting QSBS eligibility

Assisting founders and service providers:

- advising taxpayers how to expand Section 1202's usual $10 million cap on the gain exclusion
- planning for the rollover of QSBS proceeds under Section 1045, including utilizing newly formed C corporations for start-up activities or to serve as a vehicle to acquire qualified small businesses
- advising taxpayers with respect to remedying Section 1202 eligibility problem
- providing Section 1202 and Section 1045 tax planning in connection with M&A transactions, including those involving equity rollovers
- addressing gift and estate transfer issues, including working with Delaware and Nevada trusts and estate and trust counsel in various jurisdictions throughout United States
- advising them with respect to the interaction of equity compensation arrangements with Section 1202
- advising them with respect to the interaction of various equity and equity rights, including convertible debt, SAFEs, stock options, and stock grants with Section 1202

Assisting investors:

- documenting eligibility for claiming Section 1202's gain exclusion or a Section 1045 rollover of QSBS proceeds.

- providing tax advice and tax opinions with respect to Section 1202 and Section 1045 issues
- advising taxpayers with respect to efforts to expand the basic $10 million or 10X cap on the Section 1202 gain exclusion
- addressing gift and estate transfer issues, including working with Delaware and Nevada trusts and estate and trust counsel in various jurisdictions throughout United States
- planning for the rollover of QSBS proceeds under Section 1045, including forming C corporations as vehicles for start-up activities and as acquisition vehicles

Assisting investment funds:

- QSBS planning for holders of carried interests, including tax opinions with respect to the sharing of Section 1202 gain exclusion by holders of carried interests
- QSBS planning for the holding of QSBS through LLCs/LPs
- documenting eligibility for claiming the Section 1202 gain exclusion
- planning for the rollover of QSBS proceeds under Section 1045, including the use of newly formed corporations as vehicles for start-up activities or as vehicles for acquiring a qualified small business

General Business Experience

Assisted business owners with their business succession planning, culminating in ESOPs, sales to family members, management or other investors, or to outside financial or strategic buyers.

Handled or managed M&A work for financial buyers acquiring targets in a variety of industry areas.

Assisted PE firms with development of their internal and portfolio company governance and compensation documents.

In connection with handing M&A work for business owners, assisted with structuring and implementing tax favored equity rollovers, including the tax and governance (minority owner) issues.

Developed and coordinated both general and specialized due diligence projects for lower-middle and middle market PE firms (e.g., an immigration-focused due diligence investigation of a Southwest US construction general contractor which utilized a network of independent contractors with their own construction teams).

Managed the firm's outside general counsel services for PE firms' portfolio companies (with legal needs ranging from managing world-class IP portfolios to negotiating collective bargaining agreements).

For a leading skilled nursing and personal services company, developed and implemented a specialized and comprehensive due diligence examination of a target company's independent contractor arrangement.

Handled the structuring of numerous real estate development projects involving industrial or commercial properties, including associated partnership tax planning and LLC governance issues, in transactions often involving property owners, developers and investors.

Handled tax and business issues associated with the conversion of a closely-held LLC to a public company, including the roll-up of franchisee stores.

Handled transactions involving a Heisman Trophy Winner, an NFL Hall of Fame member and Super Bowl champion, a Triple Crown winner, and a PGA player of the year.

Advised numerous clients regarding LLC controlling and minority governance and fiduciary duty issues.

Structured and drafted hundreds of closely-held business, investment, family business and wealth and real estate investment and development limited liability companies.

Advised clients in connection with their tax planning, including structuring closely-held business and investment arrangements and transaction tax planning.

Advised clients in connection with the organization and operation of employer assistance organization public charities and other

employer assistance vehicles.

Industry-Specific Mergers & Acquisitions Experience

Health Care: home health, personal care, nursing homes, drug treatment clinics, pharma (cancer; macular degeneration), and hearing aid manufacturer and retailer.

Manufacturing: environmental cyclones, after-market automobile parts, chemical storage tank, specialty glass, and metal fabricating.

Entertainment and hospitality: numerous fast-food and casual dining restaurant concepts, including Long John Silvers and Texas Roadhouse, hotels, minor league baseball team, racetrack and gaming operations, and sports and entertainment agencies.

IP/software: blue tooth company, printing, direct mail, developer of optical cables and engines, various software developers and licensing companies, and e-commerce B2B and B2R businesses.

Insurance: title insurance, surety bond, bail bond and general lines agencies and surety bond underwriters.

Retail: convenience stores, specialty pet products, equine, personalized apparel, auto dealerships, funeral homes and printing houses.

Advertising: general advertising agency and auto industry direct marketing.

Construction and real estate: general contractors, asphalt plants, replacement windows, ready-mix concrete, numerous industrial and commercial property projects, rock quarries, underground and surface coal mining and oil and gas.

Waste: waste collection, landfills, metal recycling and hazardous waste incinerators.

Professional: lawyers, accountants and physicians.

Other Info About Scott

Education

University of Virginia School of Law, J.D.

Harvard College, A.B., *with honors*

Recognition

Chambers USA, Corporate/M&A, 2005, 2008–2025; Senior Statesperson 2026

Legal 500 US City Elite – Kentucky, Corporate and M&A, 2026

Selected for inclusion in *Kentucky Super Lawyers®,* Tax, 2007-2016

The Best Lawyers in America®, Corporate, 2006-2027; Mergers & Acquisitions, 2007-2027; Tax, 2010-2027; Business Organizations (including LLCs and Partnerships), 2024-2027, "Lawyer of the Year," 2025

Professional Affiliations

Louisville Free Public Library Foundation, Legal Counsel

Major Publications

"Section 1045 Planning for Installment Sales, Earnouts, and Noncash Consideration," *Tax Notes Federal*, September 2026

"A Guide to the Federal Income Tax Treatment of Simple Agreements for Future Equity," *Journal of Robotics, Artificial Intelligence & Law*, September 2024

"Dolson's Limited Liability Company Forms," University of Kentucky College of Law/Office of Continuing Legal Education Books

"Limited Liability Companies in Kentucky," University of Kentucky Office of Continuing Legal Education, December 2011

"Contractual Dissenters' Rights for Kentucky LLCs," *Bench & Bar Magazine*, Kentucky Bar Association, January 2011

"Fiduciary Duty Standards of Conduct for Kentucky LLCs," *Bench & Bar Magazine*, Kentucky Bar Association, January 2011

"Kentucky Limited Liability Companies, Business Succession, Planning and Kentucky Corporations Handbook,"

University of Kentucky College of Law/Office of Continuing Legal Education Books

"Professional Services Corporations,"
University of Kentucky College of Law/Office of Continuing Legal Education Books

Assisted in drafting the Kentucky Business Corporation Act, the Kentucky Limited Liability Company Act, and the Kentucky Registered Limited Liability Partnership Provisions

Featured Articles

Section 1045 Planning for Installment Sales, Earnouts, and Noncash Consideration

Conversions, Reorganizations, Recapitalizations, Exchanges, and Stock Splits Involving Qualified Small Business Stock (QSBS)

Exploring the Tax Consequences of Exchanging Unrestricted QSBS (Section 1202 Stock) for Restricted Stock

How Does a Corporation's S Corporation History Affect a Taxpayer's Eligibility to Claim Section 1202's Gain Exclusion?

Does a Section 351 Contribution of Money Qualify as a "Purchase" Under Section 1045?

Independent FMV Appraisals Can Play a Critical Role in Substantiating QSBS Gain Exclusions

The Delaware Franchise Tax Trap for Section 1045 QSBS Rollovers

Rolling QSBS Gains Under Section 1045? Don't Ignore Working Capital

QSBS Masterclass Series with Scott Dolson and QSBS Rollover

Planning for the Sale of Qualified Small Business Stock (QSBS)

Revisiting the Choice of Entity Decision After OBBBA's 2025 Tax Law Changes | Part 1

Scott Dolson Discusses Tax Planning Strategies on 'QSBS, Solved' Podcast

Corporations Are Eligible to Issue Qualified Small Business Stock (QSBS) Only if They Satisfy Section 1202's "Aggregate Gross Assets" Test

Exploring Section 1202's Active Business Requirement

Exploring the Role of Partnerships in Qualified Small Business Stock (QSBS) Planning

Maximizing Section 1202's Gain Exclusion

Advanced Section 1202 (QSBS) Planning for S Corporations

A Section 1202 Walkthrough: The Qualified Small Business Stock Gain Exclusion

Substantiating the Right to Claim QSBS Tax Benefits | Part 2

Substantiating the Right to Claim QSBS Tax Benefits | Part 1

One Big Beautiful Bill Act Doubles Down on QSBS Benefits for Startup Investors

To Be Clear…LLCs Can Issue Qualified Small Business Stock (QSBS)

Finding Suitable Replacement Qualified Small Business Stock (QSBS) – A Section 1045 Primer

Guide to Converting Partnerships (LLCs/LPs) into C Corporation Issuers of QSBS – Part 2

Guide to Converting Partnerships (LLCs/LPs) into C Corporation Issuers of QSBS – Part 1

Structuring the Ownership of Qualified Small Business Stock (QSBS) – Is There a Role for Roth IRAs?

Navigating Section 1202's Redemption (Anti-churning) Rules

Dealing with Excess Accumulated Earnings in a Qualified Small Business – A Section 1202 Planning Guide

Section 1202 (QSBS) Planning for Sales, Redemptions and Liquidations

Can Stockholders of Employee Leasing or Staffing Companies Claim Section 1202's Gain Exclusion?

Guide to the Federal Income Tax Treatment of SAFEs

How to Use SAFE Preferred Stock in Early Funding Rounds

Venture Studios and Qualified Small Business Stock

Introducing the QSBS Guidebook for Family Offices and Private Equity Firms

The Intersection Between Equity Compensation Planning and Section 1202

Determining the Applicable Section 1202 Exclusion Percentage When Selling Qualified Small Business Stock

Part 1 – Reinvesting QSBS Sales Proceeds on a Pre-tax Basis Under Section 1045

Part 2 – Reinvesting QSBS Sales Proceeds on a Pre-tax Basis Under Section 1045

Selling QSBS Before Satisfying Section 1202's Five-Year Holding Period Requirement?

How Corporations May Run Afoul of the Accumulated Earnings Tax – A Section 1202 Planning Brief

Section 1202 Planning: When Might the Assignment of Income Doctrine Apply to a Gift of QSBS?

Planning for the Potential Reduction in Section 1202's Gain Exclusion

A SPAC Merger Primer for Holders of Qualified Small Business Stock

Transfers "At Death" of Qualified Small Business Stock

Congress Proposes Legislation Limiting Section 1202's Gain Exclusion

Claiming an Ordinary Loss Under Section 1244 for an Investment in a Failed Start-up

The Role of the Business Purpose Doctrine in Transaction Planning Involving Qualified Small Business Stock

Transfer Planning With Qualified Small Business Stock

New IRS Private Letter Ruling Helps Define the Scope of Proscribed Excluded Activities Under Section 1202

Exploring the Benefits of the Corporate Freeze Transaction

IRS Finalizes Its Section 1061 Carried Interest Regulations

Dealing With Section 1061's Three Year Holding Period Requirement for Carried Interests

Can Convertible Debt or SAFEs Qualify as QSBS for Section 1202's Gain Exclusion?

Equity Rollovers in M&A Transactions Involving Section 1202 Qualified Small Business Stock (QSBS)

Rollover Equity Transactions 2021

Dealing With the Rollover of the Management Team's Equity and Equity Rights in a Sale Transaction

Section 1202 Tax Planning: Avoid Losing the Gain Exclusion!

Section 1202 and S Corporations

Dissecting Section 1202's "Active Business" and "Qualified Trade or Business" Qualification Requirements

How to Make a Deal | After COVID Webinar Series

Recapitalizations Involving Qualified Small Business Stock

An Introduction to the Use of Blocker Corporations in M&A Transactions

Employers Can Provide Tax-Free Assistance to Employees Impacted by COVID-19

Using Qualified Disaster Relief and Employer-Assisted Charities to Aid Employees Impacted by Financial Hardship and Natural Disasters

Private Equity and Venture Capital Fund Investment in Qualified Small Business Stock (QSBS) – A Guide to Obtaining the Benefits of Sections 1202 and 1045

Advanced Section 1045 Planning

Advanced Planning for Section 1061's Three-Year Capital Gains Holding Period of Carried Interests

Section 1202 Qualification Checklist and Planning Pointers

Typical Minority Ownership Issues Facing Rollover Participants

Navigating the thorny tax issues triggered by the issuance of restricted stock in a rollover transaction

Addressing the Impact of the Golden Parachute Rules in M&A Transactions

2019 Update – How to Deal with Section 1061's Three Year Holding Period Requirement for Carried Interests

A Taxpayer's Consumer Guide to "Substantial Authority" Tax Opinions

The Choice of Entity Decision for VC Financed Start-ups

Revisiting the Choice of Entity Decision for the Closely Held Business

A Roadmap for Obtaining (and not Losing) the Benefits of Section 1202 Stock

Equity Rollovers in M&A Transactions: Tax and Business Planning Fundamentals

Equity Rollovers in M&A Transactions

Planning Ideas for Avoiding IRC § 1061's Three-Year Holding Period Requirement

What Service Businesses Qualify for IRC §§ 199A's or 1202's Benefits?

How New IRC § 1061 Impacts Carried Interests

Maximizing the IRC § 199A Deduction

The 21% Corporate Tax Rate Breathes New Life Into IRC § 1202

Navigating the New IRS Partnership (LLC) Audit Rules

2015 Amendments and Additions to Kentucky's Business Entity Laws

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