

# Business Valuations: The Courtroom Method

**(a.k.a “The Most Expensive Method”)**

When the IRS challenges a business valuation and the estate defends itself in court, the result is often a *higher valuation* and *higher estate taxes*.

In the cases below **IRS valuations averaged 271% higher** than the estates’. The courts ultimately chose values **averaging “only” 133% higher**, but court costs, attorneys, accountants, appraisers, etc. made the net cost to the estate roughly equivalent.

Title of Case	Values per share (in dollars)			Increase	
	Taxpayer	IRS	Court	IRS	Court
Bader v. U.S.	\$521.83	\$1,250.00	\$642.00	140%	23%
Estate of Morris Braverman v. Comm.	2,058.25	4,000.00	2,724.92	94%	32%
Estate of L. J. Burda	3.00	10.00	5.00	234%	67%
Estate of Anna C Ewing v. Commissioner	2,400.00	6,530.00	4,750.00	172%	98%
Estate of Jessie Ring Garrett v. Comm.	50.39	285.65	285.65	467%	467%
Estate of Edward E. Hanscom	50.00	100.00	100.00	100%	100%
Estate of Henry E. Huntington,	10,638.35	16,559.67	16,100.99	56%	51%
Estate of David J. Levenson v. Comm.	252.85	1,033.00	900.00	309%	256%
John J. Louis Jr. v. U.S.	3.25	20.00	5.34	515%	64%
Estate of Hugh G. Max v. Commissioner	7,018.68	9,358.24	7,018.68	33%	0%
Estate of Julian Mitchell v. Commissioner	700.00	980.00	800.00	40%	14%
Est. of Pearl Gibbons Reynolds v. Comm	316.67	2,637.50	1,600.00	733%	405%
Estate of Jessie H. Righter v. U.S.	424.90	1,000.00	700.00	135%	65%
William E. Russell v. U.S.	1,360.00	2,100.00	2,100.00	54%	54%
Estate of John Milton Snodgrass v. U.S.	53.00	65.00	53.00	23%	0%
Estate of Lida R. Tompkins v. Comm.	834.00	12,725.85	5,500.00	1,425%	559%
Worthen (Stone) v. U.S.	100.00	175.00	104.00	75%	4%