

**COUNCIL OF TAXATION SECTION
MINUTES OF REGULAR MEETING**

January 7, 2010

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on January 7, 2010 at 9:00 AM at the offices of Howard & Howard, located at 450 W. 4th Street, Royal Oak, Michigan, Ronald T. Charlebois, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

Jess A. Bahs	Ronald T. Charlebois
Gina M. Torielli	Warren Widmayer
Wayne D. Roberts	John M. O'Hara
Lynn M. Gandhi	David B. Walters
Paul V. McCord	Michael Domanski
Marjorie B. Gell	Gary Remer
Gary Glenn	

COUNCIL MEMBERS ABSENT

Jack Van Coevering

COMMITTEE CHAIRPERSONS PRESENT

Alex Domenicucci	Tom Shaevsky
George V. Cassar	Peter Kulick
Marla S. Carew	

COMMITTEE CHAIRPERSONS ABSENT

None.

OTHERS PRESENT

Deb Michaelian	Mary Hiniker
Eric Skinner	Jeff Kirkey
Robert D. Heitmeyer	

Council Chairperson, Ronald T. Charlebois, called the meeting to order at approximately 9:00 AM.

MINUTES

The Minutes of the September 17, 2009 meeting of the Council had been previously distributed. There being no changes to the Minutes, the motion by Gina Torielli, seconded by John O'Hara, to accept the Minutes was unanimously carried.

TREASURER'S REPORT

Warren Widmayer provided his report as Treasurer, a role in which he will serve for the period from October 1, 2009 to September 30, 2010. Warren discussed records through November and is anticipating bills from State Bar, which will need to be incorporated. Warren indicated that there has been an influx of dues recently and that this is typical. Warren will provide a further update after further data is available.

A motion to approve the Treasurer's report was made by Gina Torielli, seconded by John O'Hara, and unanimously approved.

COUNCIL ACTIVITIES

1. Continuing Professional Education - After Hours Tax Law Series – Mary Hiniker and Gary Glenn. Mary Hiniker submitted her written report. Jeff Kirkey reported on the upcoming MBT seminar and the estate planning seminar coming up in early 2010. Jeff requested additional topics for seminars, if applicable.
2. 2010 Tax Conference – John O'Hara. John O'Hara reported that Rehmann Group will not be a sponsor. Tax Section will have two sponsors. Speakers are all lined up; Ira Sheppard is confirmed. Lee Bosha, from Holland & Night, is also confirmed. John O'Hara stated that he secured Leigh Basha as a speaker at the next Tax Conference. Gina Torielli indicated that she met Leigh Basha at the national State Bar Taxation Section meeting and mentioned Leigh Basha and others were excellent speakers at the NASBTS meeting. Gina then mentioned that Deb had copies of their outlines for anyone who wanted them. Donna Donovan is committed to discuss Michigan tax matters (and will try to bring Dale Vettel and Glen White). Obama tax policy topic has not been filled per Jeff Kirkey, but Jeff is anticipating confirmation soon. He stated that the website advertising should be online soon – this month. Deb Michaelian indicated that a February mailing, by itself, is too early, so consideration is being given to both two mailings coupled with multiple e-mail notices of the conference. Gary Remer stated that up-to-date work on 2011 Conference is all done.
3. Tax Court Luncheon - Jack Van Coevering.

Jack VanCoevering was not present and had no report.
4. Directory – Marjorie Gell. Marjorie Gell discussed the current status of the directory and website. Regarding the Directory, Marjorie is working with the State Bar. The front of the Directory is being reviewed by a law student for accuracy. Marjorie wants to remove the “public information” resources from the password protected area of the Directory.

Marjorie is attempting to make revisions to the website and will make recommendations by submitting proposals to the Council (e.g., change home page to offer a welcome from the current Section Chair and add pictures, where appropriate). Marjorie would also like

to add tabs for different committees and to make the tabs and links more user-friendly. Marjorie will make the changes and have something to review after.

5. Michigan Bar Journal Liaison – Paul McCord. Paul McCord discussed the recent Tax Issue of the Michigan Bar Journal. He also mentioned that he would send the Bar Journal the Tax Conference notice to be included in the Tax Section briefs.
6. Michigan Tax Lawyer – Lynn M. Gandhi. Lynn Gandhi discussed the Fall issue published in November, distributed in December. Delay was due to writers being late with submission. Lynn has an assignment schedule to distribute to Committee Chairs indicating their responsibility for articles in each issue. For the current issue, Lynn is expecting articles very soon. Committee reports are also due and need to be submitted timely. Lynn requested additional articles, notes, tax bulletin information, events, and other information from all members of Council and their respective firms.
7. Internet – Marjorie Gell. Report combined with Directory above.
8. Federal and State Legislation – Paul McCord. Paul McCord initiated a discussion of federal estate tax repeal. Also, Michigan tax policy members have indicated that bills are unlikely to pass if Department of Treasury opposes the bill. Also, there have been limited developments with respect to the sales tax on legal services, which Ron Charlebois confirmed based on discussions with Liz Lyons.
9. Public Policy Liaison – Paul McCord. This report was combined with Paul's other reports.
10. Membership Outreach Coordinator – David Walters. David Walters is working with Jack VanCoevering in the transition of this responsibility. David also discussed the current climate in law school recruiting regarding the student focus on jobs rather than on tax or other specific areas of work. David also discussed the grant program, which he has taken over in connection with shifting membership outreach to Jack. David also discussed certain procedural issues related to groups requesting grants.
11. Annual Chairpersons' Dinner. David Walters and Ron Charlebois discussed location of the meeting in future years and whether we should link with the location of the State Bar Annual meeting. The general view from Gina Torielli, Jess Bahs and Ron Charlebois was that linking with the State Bar Annual meeting would not change attendance. Warren Widmayer moved to not link location to State Bar Annual Meeting, Gina Torielli seconded and the motion passed unanimously. Deb Michaelian pointed out that scheduling needed to be a specified number of days before or after the State Bar Annual Meeting.

PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT

Lorraine F. New was absent. Lorraine indicated by e-mail that she has no report, except to convey a message to anyone interested in the new Michigan Trust Code that ICLE has a variety of training sessions available.

STATE BAR OF MICHIGAN LIAISON REPORT

- Lambro Niforos – Absent. No report.

IRS AREA COUNSEL LIAISON REPORT

Rob Heitmeyer and Eric Skinner both were in attendance. Rob discussed current IRS Chief Counsel issues, including the Commissioner's current theme focusing on customer service and compliance. Rob suggested that practitioners can contact either him or Eric to connect with Miles Wright with practitioner comments or concerns as a part of the service focus. In November, there were 150 IRS personnel in McNamara Building that held an event to assist taxpayers with tax preparation services – delinquent returns, OIC, and similar issues. IRS Detroit office is hiring a new attorney in the Chief Counsel office in December 2009. Rob and Eric also discussed current Tax Court calendar, with approx 130 cases on the docket. The last calendar had 215 cases. Eric mentioned that IRS will have a new building location in the first part of 2011 – moving out of McNamara Building. Move will be to a new building in down town Detroit and will be announced sometime in January or February 2010.

PROGRAM FACILITATOR REPORT

Deb Michaelian was present and indicated that the Section has the ListServ available for all members to get information or notices out the Section. She also mentioned that she would appreciate e-mail responding to her attendance messages for Council meetings. Lynn Gandhi mentioned that she is having difficulties with list serve notices.

COMMITTEE ACTIVITIES

Business Entities – Alex Domenicucci

Alex Domenicucci provided an update on presentations planned for Annual Tax Conference regarding both workouts and valuations. Valuation presentation set for January to be made by Stout Rissuis Ross at Honigman's office in Detroit.

Employee Benefits – Thomas Shaevsky

Tom Shaevsky indicated that in November Committee held a meeting with Probate Section regarding actuarial calculations. An upcoming meeting is being planned with a speaker from IRS regarding corrections of tax qualified plans.

Estates and Trusts – George Cassar

George Cassar discussed the great amount of activity in estate planning in light of the estate tax repeal. Questions regarding how to plan and what to tell clients to do in the absence of a federal estate tax are pervasive. George noted that clients need to make a risk assessment with their documents and there is little consensus among estate planners. There are many issues regarding retroactive legislation, basis, documents and credit shelter trust overfunding, GST, Q-TIPs and other issues.

Practice and Procedure – Peter Kulick

Peter Kulick was absent and had no report.

State and Local – Marla S. Carew

ICLE seminar in January planned for MBT, which will be held in Plymouth. Marla Carew also discussed property tax appeals involving troubled properties. Marla also discussed the recent Michigan Court of Appeals case in Iron Mountain, which held that STC decisions cannot be appealed.

International Law – Michael Domanski

Mike Domanski discussed partnering with other organizations to put on a panel conference with the French American Chamber meeting. Mike suggested that the Section subsidize fees for members to encourage attendance at this international meeting. Mike is working on membership and indicated that his attendance is struggling. 5:30 – 7:30, February 11, 2010, is the French American Chamber meeting. Mike's committee meeting will be prior and will address general international issues. Mike is trying to work with the University of Windsor to expand outreach through guest lecturing with U of D and their students, along with expanded Canadian tax lawyer involvement. Mike is working with Peter Kulick regarding the Annual Tax Conference program and will try to integrate procedure program with international issues, including FBAR and compliance issues.

OLD BUSINESS

Tax Tribunal Bill

Jack VanCoevering has been appointed to a new Michigan Chamber of Commerce committee to study Tax Tribunal reform and make recommendations. He is no longer a part of the Taxation Section group that also is continuing to consider Tax Tribunal Reform. The Taxation Section is drafted a bill with a position advancing the proposition that all Tax Tribunal judges be attorneys. Our position addressed selection of judges, qualifications of judges as attorneys, and the elimination of the pre-payment requirement in the Michigan Court of Claims for tax cases. Ron Charlebois mentioned that he is attending a meeting with Judge Halm to work through a tax reform proposal that will be more likely to pass. Ron Charlebois and Jess Bahs suggest that the Council reaffirm the Section position that all judges be attorneys. A discussion ensued and the original position was maintained, which supports all attorney judges.

Efforts to Alert Legislators of Taxation Section Positions

Per Ron Charlebois, such efforts will continue to be reviewed.

Upcoming Cooley Event – Ronald Charlebois

NEW BUSINESS

Michigan Tax Tribunal Reform

Continued discussions.

Tax Proposals for MBT – Brief discussion of repeal of service charge along with expansion of services tax likely to be proposed.

Tax Proposals re Tax on Legal Services. Nothing new per Ron Charlebois.

There being no further business, upon motion duly made by Gina Torielli, seconded by Warren Widmayer and unanimously approved, the meeting was adjourned at approximately 11:20 AM.

Respectfully submitted,

Wayne D. Roberts
Secretary