

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

February 26, 2009

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on February 26, 2009 at 3:00 PM at Howard & Howard, Royal Oak Michigan. Jess A. Bahs, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

Jess A. Bahs	Ronald T. Charlebois
Warren J. Widmayer	Jay A. Kennedy
Gina M. Torielli	Jack Van Coevering
Marjorie B. Gell	Paul V. McCord
Wayne Roberts	Lynn M. Gandhi
David B. Walters	

COMMITTEE CHAIRPERSONS PRESENT

Marla S. Carew, State and Local
James Mauro, Practice and Procedure

COUNCIL MEMBERS ABSENT

Frederick H. Hoops, III
Michael W. Domanski
John M. O'Hara

COMMITTEE CHAIRPERSON ABSENT

Marko Belej, Business Entities
George V. Cassar, Estates and Trusts
Lisa Zimmer, Employee Benefits

OTHERS PRESENT

Deb Michaelian, Program Facilitator
Mary Hiniker, ICLE

Council Chairperson, Jess A. Bahs, called the meeting to order at approximately 3:12 PM.

A. MINUTES.

The minutes of the last meeting of the Council had been previously distributed. The minutes were accepted by unanimous vote, after the motion of Ron Charlebois, seconded by Gina Torielli.

B. TREASURER'S REPORT

Gina Torielli presented her report. She noted that only minor discrepancies exist between the State Bar of Michigan and the Taxation Section records, mostly due to timing issues, with the exception of a small error by the State Bar that is being corrected. Gina expects only another few hundred dollars in dues; the cutoff is the end of February. Gina notes that the section currently has 77 student members. Only one sponsor check for the annual conference was thus far received. Stout is the sponsor that has not sent its money; their check is expected in March.

It is estimated that 160 attendees will be needed in order to break even on the Annual Tax Conference. Gina noted that on the expense side, nobody is spending more than what was budgeted.

Ron Charlebois moved that the Treasurer's report be accepted as presented. Warren Widmayer seconded the motion, and it was unanimously approved.

C. COUNCIL ACTIVITIES.

Jess Bahs introduced Jim Mauro, who has agreed to assume the chairmanship of the Practice and Procedure Committee. Jess then asked for reports and was advised of the following:

1. Continuing Professional Education – Mary Hiniker

After Hours: The last seminar for this season was Tuesday of this week. About half of attendees this year were in person, the rest were webcast.

ICLE's course planner is looking for topics for the next year series.

ICLE is also planning a transfer tax presentation and is soliciting ideas for the best way to present guidance to practitioners.

Four top 10 tips are now posted. ICLE is seeking feedback re: the format. Mary commended Gina Torielli for work on these. An email blast will be issued announcing their availability.

2. After-Hours Tax Law Services – Paul V. McCord. Paul had nothing to add to Mary's report – he will be getting together with ICLE to plan next year.

3. a. 2009 Tax Conference – Marjorie Gell.

The draft brochure should be finalized and sent out next week. A copy was circulated for comment. Discussion followed re: cutting back to a tri-fold like prior years. This could be accomplished by cutting out the biographies of the speakers who are not featured presenters. The suggestion also was made to add a reference to the Section website, and change the cancellation date to April 1.

Marjorie then discussed her plan for the program.

The theme for the morning is a general update. A suggestion was made to move the break to after the second presentation for better balance. The committee breakout session materials are needed by March 30 at the latest. Marjorie also emphasized the need for Committee chairs to work hard on producing a good turnout from their membership.

Regarding publicity for the conference, one email blast went out re: the conference about a week ago. Marjorie also suggested that we extend an invitation to attorneys working in accounting firms. Jess stated that we are still trying to get cooperation from MACPA to publicize the conference among their members.

There followed a discussion regarding identifying a speaker on federal tax policy.

b. 2010 Tax Conference – John M. O’Hara

John was absent. Jess Bahs indicated that he was developing questions for a survey regarding next year’s conference.

4. Tax Court Luncheon – Jack Van Coevering.

Jack said that the next luncheon will be at the Cadillac Hotel on March 19 with Judge Vasquez. Deb indicated that 9 people had thus far registered to attend.

5. Directory and Internet – Fred Hoops.

Fred was absent but submitted a report. Deb indicated that the State Bar is still tweaking the directory. Deb also is working on updating the Michigan Tax Lawyer postings on the web site. There was discussion regarding how many issues should be kept posted; it was suggested that issues from more recent years stay there and other older issues be archived under a separate link.

Fred indicated in his report that recently requested changes have been made. Jess continues to urge members to submit any ideas re: additional content for the website.

6. Michigan Bar Journal Liaison – Paul McCord.

Paul indicated that section briefs are due next week.

The Section has five articles in the December issue and authors have been identified and have committed to provide the articles. An outline of each article is due by the beginning of March.

7. Michigan Tax Lawyer – Lynn Gandhi.

Lynn reported that the recent issue went into the mail Monday of this week. She also has circulated the publication schedule. Estates and Trusts and SALT Committee articles will be featured in the Spring 2009 issue; Business Entities and Employee Benefits will be featured in the Fall 2009 issue. Lynn again encouraged the committee chairs to provide more content for their committee reports.

Lynn indicated that the process with the new printer went much more smoothly than the experience with the last printer.

8. Federal and State Legislation and Public Policy Liaison – Wayne Roberts.

Regarding the “School for Legislators” program, Wayne gave a presentation regarding the Michigan Business Tax, and Sales and Use Taxes. Jack Van Coevering covered Real and Personal Property Tax matters. Marla Carew covered other miscellaneous state tax issues. About 10 legislators and staff attended. Wayne predicts that the next time this is done, it will be better organized and publicized.

Offer in Compromise – Wayne was also able to discuss the draft OIC legislation with some of the legislators on the key committees that will be involved with the bill when introduced. Wayne also has spoken with MACPA and received advice from lobbyists about how best to have this legislation introduced in a manner that will receive broad interest from the legislature.

Gina believes that the law school tax clinics could be called upon to testify regarding the need for such legislation.

9. Membership Outreach Coordinator – Dave Walters.

The Tax Conference student recognition solicitation went out to the law schools. Each school has been invited to have two students recognized. Gina commented that there is some concern whether the heads of the tax LLM programs are being contacted regarding outreach activities. She will get Dave the names of the proper contacts at the different schools.

10. Annual Meeting/Past Chairperson’s Dinner – Jack Van Coevering.

Jack proposed that we consider coordinating with the State Bar Annual Meeting at the Hyatt in Dearborn and tentatively set September 17th as the date for the annual meeting. The State Bar is encouraging sections to couple their annual meeting again with the State Bar Annual Meeting. There will be a reception for young lawyers that same evening and some may be attracted to attend the meeting and/or dinner.

Consensus was that this is worth a try. Jack will develop the concept further.

11. Grant Program – Dave Walters

Applications went out to the past grant recipients. One application has been submitted. The due date is March 30.

Dave also mentioned that one of our past grant recipients, Accounting Aid Society, suffered facility damage due to a flood from broken pipes. The officers have proposed that an advance be made from the grant program and expedited to assist them with their emergency needs, treating this as part of their 2009 grant.

Upon a motion by Dave Walters, seconded by Gina Torielli, the following resolutions were unanimously adopted:

RESOLVED, that after careful consideration of the recommendation of the Grant Committee of the State Bar of Michigan Taxation Section as to the recent request from the Accounting Aid Society, and after review of the circumstances surrounding the need to expedite the processing of this recommendation, Council does hereby approve an interim 2009 grant to the Accounting Aid Society in the amount of \$2,000.

RESOLVED FURTHER, that the Treasurer of the Taxation Section, Gina M. Torielli, is authorized to coordinate the prompt distribution of these funds through the Access for Justice Campaign of the State Bar of Michigan to the aforesaid organization.

D. PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT .

Lorraine submitted a report which Jess presented in her absence. Her report is attached.

E. STATE BAR OF MICHIGAN LIAISON REPORT

No report was submitted.

F. IRS AREA COUNSEL LIAISON REPORT

No report was submitted.

G. PROGRAM FACILITATOR REPORT

Deb Michaelian was present and indicated she had nothing to report.

H. COMMITTEE ACTIVITIES

Jess A. Bahs then asked for reports and was advised of the following:

1. Business Entities – Marko Belej.

The committee's recent wine and cheese reception with no speaker was not successful. Consensus from discussion is that topics and speakers, even from within the committee, are needed to generate sufficient interest. Marko also reported that he arranged for Mark Sutton of Plante Moran to speak at the Annual Tax Conference.

2. Employee Benefits – Lisa Zimmer.

Lisa was absent and indicated prior to the meeting that she had nothing to report.

3. Estates & Trusts – George Cassar.

George was absent and indicated prior to the meeting that he had nothing to report.

4. Practice and Procedure – James Mauro.

Jim reported that his planned breakout session for the Annual Conference will cover a typical tax case from audit through the U.S. Tax Court. Several speakers will participate in this format. Audit and appeals procedures within the IRS will be covered in the first session; pretrial and trial in the Tax Court will be covered in the second segment.

5. State and Local – Marla Carew.

Marla is planning a May 21 session for her committee. June Haas and SALT - related government people will be presenting.

6. International Law – Michael Domanski.

Mike was absent, but provided a written report. The International Law Committee Annual Tax Conference breakout sessions will cover one session on inbound transactions and one on outbound transactions, with each session broken into individual and corporate segments.

I. OLD BUSINESS.

1. Policies & Procedures Manual changes

Proposed changes to the Policies and Procedures Manual sections relating to the Michigan Tax Lawyer were circulated before the meeting. A motion was made by Lynn Gandhi, second by Gina Torielli, to adopt the submitted changes, subject to a few minor technical changes and inclusion of an annual cumulative index and procedures for electronic preservation of prior issues. The motion was approved unanimously.

2. Use of administrative resources for web v. Tax Lawyer v. Annual Conference

Jess Bahs said the next step is for him and Deb Michaelian to meet with ICLE and explore some assistance that ICLE might be able to provide with identifying and organizing the speaker scheduling for the Annual Tax Conference.

Deb noted that a decision needs to be made soon regarding whether we are changing the date and location of the Annual Tax Conference, noting that availability of dates will diminish as time goes by. Deb agreed to discuss this with John O'Hara.

3. Legislator school - See Wayne Roberts' report under Federal and State Legislation and Public Policy Liaison, above.

J. NEW BUSINESS.

1. June event at Cooley and sponsorship

Cooley is sponsoring a program covering how civil tax matters can become criminal investigations. Dave Walters mentioned that the program will occur following the Taxation Section Council meeting June 4, 2009. Cooley is asking for an outreach grant of \$500 to help subsidize this with an open invitation to all law schools. Dave Walters moved for approval of this grant. Wayne Roberts seconded the motion and it was approved.

2. \$2,000 grant to Accounting Aid Society

See Grant Program report, above.

3. Index of Articles on website

Cooley has offered to have a student prepare a cumulative index to the Michigan Tax Lawyer, which could be published annually and also posted on the website.

4. Task force for state transfer tax amendment

Wayne Roberts indicated that there is not much to report. There has been some discussion with people in Treasury regarding enforcement issues as the better approach to some of the problems with this legislation, in contrast to actually amending this law. There are a lot of questions regarding how this law will be enforced, including within Treasury. A major concern is the retroactive effective date. Wayne will keep Council informed on developments as they occur.

There being no further business, upon motion by Gina Torielli seconded by Dave Walters and unanimously approved, the meeting was adjourned at approximately 5:17 P.M.

Respectfully submitted,

Warren J. Widmayer
Secretary