

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

March 4, 2010

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on March 4, 2010 at 9:02 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

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

COUNCIL MEMBERS ABSENT

Jess A. Bahs	Wayne Roberts
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COMMITTEE CHAIRPERSONS PRESENT

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

COMMITTEE CHAIRPERSONS ABSENT

None.

OTHERS PRESENT

Deb Michaelian	Jeff Kirkey
Eric Skinner	Lorraine New

Council Chairperson, Ronald T. Charlebois, called the meeting to order at approximately 9:00 AM. He noted that Wayne Roberts was unable to attend the meeting and asked Warren Widmayer to act as Secretary for the purpose of taking meeting minutes.

MINUTES

The Minutes of the January 7, 2010 meeting of the Council had been previously distributed. After minor corrections, the motion by Gina Torielli, seconded by John O'Hara, to accept the Minutes as revised was unanimously carried.

TREASURER'S REPORT

Warren Widmayer provided his report as Treasurer. Warren discussed records reconciled through January 31 and also included expenses and revenues through February 23 that were not yet reconciled with State Bar records. He noted that dues revenue is down from last year at this time by approximately \$2,000 and that very little additional dues revenue is expected. Dues are expected to be approximately \$1,500 less than the \$40,000 of dues revenue that was budgeted.

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

COUNCIL ACTIVITIES

1. Continuing Professional Education - After Hours Tax Law Series – Jeff Kirkey and Gary Glenn. Jeff Kirkey submitted a written report re: After Hours Tax. The most recent session was Feb. 23 on Estate and Gift Tax. 35 people attended in person, with around 30 viewing by webcast. Ratings were high even though attendance was comparatively low.

A survey is going out to members re: future After Tax topics and timing of the sessions. In discussions it was noted that morning timing might work better, as people sometimes have difficulty escaping from the office for an afternoon seminar.

2. 2010 Tax Conference – John O'Hara. John O'Hara asked Jeff Kirkey to report on ICLE's work promoting the conference. A flyer with the conference schedule was distributed. A save the date email went out a couple of weeks ago. Within 2-3 weeks the brochure will be distributed by mail. Two mailings will occur.

The Membership Outreach Coordinator will be asked to make arrangements re: the student outreach and awards.

Gary Remer raised the issue of possibly making this a destination conference rather than a local conference. Longer-term members of council noted that this idea was rejected in the past after the destination model failed to produce significant attendance. Discussion followed re: possibly continuing the current local model and adding a destination function separately.

3. Tax Court Luncheon – David Walters.

Seven people are registered for the March 23 luncheon with Judge Krupa. Dave is hoping for more. The law schools have been notified.

4. Directory – Marjorie Gell. Marjorie Gell discussed the current status of the directory and website. We have two directories – one with public official contacts and the other with Section membership contact information.

The public official directory will be online and available to the public. The membership directory contains the State Bar Directory information, and does require password access. The password will be updated so only current members have access.

5. Michigan Bar Journal Liaison – Paul McCord. Paul McCord will send the Bar Journal the Tax Conference notice, to be included in the Tax Section briefs.
6. Michigan Tax Lawyer – Lynn A. Gandhi. Lynn Gandhi discussed the Winter issue. Delay was due to lateness of submissions. It was completed this week. It is a full edition. The next edition is the Spring edition with a May 1 deadline for submissions. Estate and Trusts and International are the featured topics for the Spring issue. The Fall issue will feature Employee Benefits and Practice and Procedure, with a September 15 date of publication (September 1 deadline for submission).
7. Internet – Marjorie Gell. The home page now has an html letter from Ronald Charlebois. Bios of Council members have been updated and converted to html format. A committee tab has been added and information on upcoming committee events will be added. Marje noted that there is no committee information on the calendar right now, and Deb Michaelian noted that committee schedules have been posted to the calendar when provided; currently she is unaware of any upcoming committee meetings that are not on the calendar.

The idea of posting current developments was discussed. Marje will look into how best to pull this together – possibly with links to other areas of the website.

Marje also volunteered to create a manual for her position.

8. Federal and State Legislation – Paul McCord. Paul McCord deferred to the later portions of the agenda covering recent developments.
9. Public Policy Liaison – Paul McCord. Paul McCord deferred to the later portions of the agenda covering recent developments.
10. Membership Outreach Coordinator – Jack Van Coevering. Ronald Charlebois noted that Jack Van Coevering has resigned due to other commitments. A replacement is being decided by the nominating committee.

Gina Torielli noted that an outreach event was held at Cooley and was attended by 28 students, several of whom became members of the Section.
11. Annual Chairpersons’ Dinner – David Walters. David Walters reported that he has contacted Lee Sheppard of Tax Analysts as a possible speaker. Location is yet to be determined. The meeting will be held September 16.
12. Grant Program – Jack Van Coevering. David Walters discussed grant timing concerns due to Jack Van Coevering’s resignation. Ron Charlebois will contact Jack and recover the file with the contact information for sending applications to past recipients. Dave volunteered to send out the applications.

PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT

Lorraine F. New indicated that the Probate and Estate Planning Section is drafting an amendment to EPIC to adjust for changes in the estate tax laws to ensure that unmodified estate plans will automatically adjust to the repeal of the estate tax law, by preserving 2009 law. It is not yet clear what chance the draft legislation has of being introduced or passed.

STATE BAR OF MICHIGAN LIAISON REPORT

Lambro Niforos – Absent. No report.

IRS AREA COUNSEL LIAISON REPORT

Eric Skinner discussed the special trial calendar recently held with Judge Kroupa and the small case calendar held last week. After the March calendar, the next expected calendar is at the end of November.

He noted that there is a lot of new activity in LMSB on high net worth individuals using flow-through entities for international transactions. He noted the expected increase in activity in independent contractor vs. employee examinations.

He also discussed developments relating to the disclosure of uncertain tax positions under the Textron decision.

The Detroit office move is still in the planning process and a location has not been decided.

PROGRAM FACILITATOR REPORT

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

COMMITTEE ACTIVITIES

Business Entities – Alex Domenicucci

Alex Domenicucci reported that 12 people attended the valuation presentation in January made by Stout Risius Ross at Honigman's office in Detroit.

Employee Benefits – Thomas Shaevsky

Tom Shaevsky indicated that a meeting was held in February with a speaker from the IRS regarding corrections of tax qualified plans. This was a joint breakfast meeting with the Detroit chapter of the American Society of Pension Professionals and Actuaries, and was attended by 80 people. The Taxation Section collected all revenue from attendees on behalf of both organizations, and revenue exceeded expenses.

The Annual Conference speaker will be a practitioner with extensive background in employee versus independent contractor matters.

Estates and Trusts – George Cassar

George Cassar was absent but submitted a report to Ronald Charlebois approving of the proposal to get people to write letters to Congress regarding the issues raised by the EGTRRA estate tax repeal and lingering threat of a retroactive reinstatement of the tax. He anticipates a meeting in the spring regarding the new Trust Code.

Practice and Procedure – Peter Kulick

Peter Kulick is lining up a speaker from IRS Counsel's office re: FBAR issues in the breakout session at the Annual Conference.

State and Local – Marla S. Carew

Marla Carew discussed the planning of the annual meeting with June Haas regarding state tax issues, likely to be scheduled for June. She is also working with Peter Kulick to develop a joint meeting of their committees.

International Law – Michael Domanski

Mike Domanski's most recent meeting partnered with other organizations to put on a panel conference with the French American Chamber meeting. He had about 8 people respond to this meeting.

OLD BUSINESS

Tax on Legal Services

Ron Charlebois circulated a summary of the proposals currently under consideration and noted that our Section is working closely with the State Bar to analyze the proposals. Paul McCord stated that it is unclear which of the several proposals has any likelihood of passage. Lynn Gandhi noted that the climate for passage of any tax legislation is extremely pessimistic and that a continuation budget is most likely, with final resolution in the lame duck session.

Tax Tribunal Reform

Ron Charlebois stated that Wayne Roberts has provided an early draft of proposals but it is not fully developed yet.

NEW BUSINESS

Letters to Congressional Leaders re: 2010 EGTRRA Status

Ron Charlebois circulated a draft of a letter he is planning to send to Congressional leaders asking for guidance on the issues regarding estate tax repeal and uncertainty about possible retroactive reinstatement of the tax. Discussion followed regarding

whether the letter will be interpreted as asking for the passage of a new tax. Ron agreed to circulate the letter to the Estates and Trusts Committee with comments requesting addition of more specificity regarding the issues that are making planning difficult and making clear that the Section is not advocating the passage of a new tax.

Department of Treasury Notice of K Mart Filing Requirements

The notice issued by the Michigan Department of Treasury interpreting and implementing this decision was discussed. It has retroactive application and broad implications for LLCs and interaction with the “check the box” regulations. Legislative solutions are being considered.

ICLE’s Michigan Tax Practice and Procedure Book

Gina Torielli circulated a draft of the proposed chapter titles and authors of this new revised publication, which has been out of date since the 1980’s. Gina is editing the book and is soliciting help from Council members for a few chapters for which no author has been selected.

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 11:08 AM.

Respectfully submitted,

Warren J. Widmayer
Acting Secretary