

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

**April 24, 2014**

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on April 24, 2014, at 9:00 am at the offices of Honigman Miller Schwartz and Cohn LLP located at 39400 Woodward Avenue, Suite 101, Bloomfield Hills, Michigan. Lynn Gandhi, Chairperson of the Taxation Section, presided.

**COUNCIL MEMBERS PRESENT**

Lynn Gandhi	Marla Carew	William Lentine
Alexander Domenicucci	Michael Antovski	Jackie Cook
Wayne Roberts	James Combs	Carolee Kvoriak Cameron
Paul McCord		

**COUNCIL MEMBERS ABSENT**

Marjorie Gell	Frank Henke	Andrew Lane
Tammie Tischler		

**COMMITTEE CHAIRPERSONS PRESENT**

Evan Kaploe	Andrew MacLeod	

**COMMITTEE CHAIRPERSONS ABSENT**

Hassan Jaafar	Mickey Bartlett	Sean Cook
Tamika Mayes		

**OTHERS PRESENT**

George Gregory	Stephanie Stenberg	

Lynn Gandhi called the meeting to order at 9:00 am.

### MINUTES

The Council Meeting Minutes of March 20, 2014, were presented. Upon motion by James Combs, seconded by Marla Carew, the aforementioned Minutes, as amended, were unanimously approved and adopted.

### TREASURER'S REPORT

The Treasurer's report for the six months ended March 31, 2014, was presented. Michael Antovski discussed the various items in the report. He mentioned that the committees have not been spending the amounts budgeted for them. Lynn Gandhi discussed bringing in sponsorship revenue for meeting and events other than the Tax Conference. Budgeting of a larger amount for the *Michigan Tax Lawyer* was also discussed.

Upon motion by Carolee Cameron, seconded by Alexander Domenicucci, the aforementioned report was unanimously approved and adopted.

### COUNCIL ACTIVITIES

1. Michigan Tax Lawyer – Jackie Cook and William Lentine (Ass't Editor)

William Lentine indicated that the next issue of the *Michigan Tax Lawyer* will have seven articles. He asked committee chairpersons to submit their committee reports. He also mentioned that author commitments for the next issue are due on September 1, 2014.

2. Internet/Michigan Bar Journal Liaison – Andrew Lane

Andrew Lane was absent and did not provide a written report.

Lynn Gandhi indicated that Chief Judge Talbot has agreed to allow the opinions of the Court of Claims to be available on the Section website. There was discussion of indexing opinions for use by practitioners. Jackie Cook indicated that she would be willing to help with the indexing. There was also discussion of referencing the opinions and the indexing in the *Michigan Tax Lawyer*. Lynn will confirm the arrangement with Judge Talbot's office.

3. Membership Outreach and Tax Court Luncheon Coordinator – Tammie Tischler

Tammie Tischler was absent but provided the following written report:

"I have been in contact with all of the schools about the Tax Conference and the Tax Luncheon. I have also asked the professors to provide us with the names of two students who show outstanding work in tax law. I have not received anything back yet. I did let

them know that we needed the names for their awards and that they would be recognized at the Tax Conference.

I have received a couple of calls from practitioners about the Luncheon. I know you will be getting me a flyer that gets put out on the list serve. I don't know how else it was publicized in the past, though. Maybe someone can shoot me an email today and let me know.

I have also looked at getting some advertising items for the events. I understand from you that we need to get approval from the SBM to use it on anything. I need to know who to follow up with and what the budget for such things would be, if anything."

Evan Kaploe mentioned that the next Practice and Procedure committee meeting will be after the Tax Court luncheon on June 9, 2014. He said he will coordinate with Tammie to prepare an email to send out on the list serv. Evan also mentioned that he is coordinating with Eric Skinner and Rob Heitmeyer to obtain an IRS speaker.

It was mentioned that another Tax Court luncheon will be held on October 6, 2014. William Lentine will include a save the date announcement in the *Michigan Tax Lawyer*.

4. 2014 Tax Conference – Carolee Kvoriak Cameron

Carolee Cameron reported that the preparation for the Tax Conference is on schedule. Another email will be sent through the list serv regarding the Tax Conference.

5. 2015 Tax Conference – James Combs

James Combs reported that he was thinking about possible speakers for the 2015 Tax Conference. The 2015 Tax Conference is scheduled for May 21, 2015.

6. Federal & State Legislative Update and Public Policy Liaison – William Lentine and Jackie Cook

Jackie Cook described a recent Michigan bill addressing indirect audit procedures for cases where the taxpayer's books and records are insufficient. Jackie also mentioned that bills 4288 and 4292 were signed into law by the Governor.

William Lentine reported that the deadline for FATCA registration for foreign financial institutions is July 1, 2014. William also described recent S corporation proposals in Congress.

7. Directory and Annual Meeting – Frank Henke

Frank Henke was absent and did not provide a written report.

Lynn Gandhi indicated that First Merritt Bank might sponsor the dinner portion of the annual meeting. A jazz trio ensemble was suggested as entertainment. The cost of the dinner is expected to be \$5,250.

8. Continuing Professional Education and After-Hours Tax Law Series – Stephanie Stenberg and Marla Carew

Marla Carew reported that the After Hours Tax Law series is continuing to morph into a web-based program.

Stephanie Stenberg indicated that she intends to conduct a survey on topics of interest to practitioners. Stephanie also discussed rebranding of the After Hours Tax Law series to eliminate “After Hours” and/or including “On Demand” in the name.

There was also discussion of eliminating the paper mailings for the program.

9. Grant Program – Marla Carew

Marla Carew reported that the Grant Committee, consisting of Marla, Majorie Gell, and Alexander Domenicucci, convened to make a recommendation on how the \$5,000 in grant money should be allocated among the applicants. Marla indicated that the Committee recommends that the following applicants receive the following amounts:

MSU	\$2,000
Accounting Aid Society	\$2,000
UM	\$1,000

Upon motion by Marla Carew, seconded by Jackie Cook, the recommendation of the Grant Committee was unanimously approved and adopted.

Marla indicated that she would prepare a written report describing the grants and the grant recipients for purposes of the annual meeting. There was also discussion of describing the grant recipients in the *Michigan Tax Lawyer*.

10. Pro Bono Project/Community Service Initiative Coordinator – Paul V. McCord

Paul McCord reported that 18 referrals are being worked on by those participating in the program. The last 3 referrals were made by UM. Paul is communicating with MSU and is anticipating 15 to 20 referrals. Paul is asking for more volunteers to take these referrals. Paul indicated that most of the referrals are offer and compromise cases.

11. IRS Area Counsel Liaison Report – Eric Skinner and Rob Heitmeyer

Eric Skinner and Rob Heitmeyer were absent and did not provide a written report.

12. Probate and Estate Planning Section Liaison Report – George Gregory

George Gregory provided the following written report:

“The Probate & Estate Planning Section is working on a number of projects. At its latest meeting on April 19, 2014 it actively discussed:

1. Adding provisions to the Michigan Trust Code to provide liability protection, particularly for family members of Irrevocable Life Insurance Trusts. (They typically have no idea what they are getting into and are unrepresented when they become trustees.)
2. Supporting the Probate Judges Association in restructuring filing fees and inventory fees.
3. Revised Brochure for Patient Advocate, PC form 666.
4. Looking at entirely new approach for brochures.
5. An all electronic Journal with no printed version beginning in 2015.
6. Discussion about using IRAs for child support and alimony.
7. Principal Residence Exemption while in assisted living and for three years of probate administration.
8. Uncapping on intra-family transfers. Over 20 alternative suggestions.
9. I presented materials about the Tax Section’s Annual Institute in Plymouth.
10. Dower: we agree with the Real Estate section, abolish it. We think the Family Law Section with notice to spouses is a cure worse than the disease.
11. A lot of interest in writing specific guidance for trustees on ILITs.
12. Support the Michigan Probate Judges in revising the filing fees and inventory fees.

The Section has committees actively working on a number of areas including:

- a. Directed trusts.
- b. Domestic asset protection trusts.
- c. Insurance legislation.
- d. Artificial reproduction.
- e. Specialization.
- f. Fiduciary exception to the attorney-client privilege.
- g. Real estate uncapping on transfers to family members.

- h. End of life issues.
- i. Pending legislation.

There is more information at <http://michbar.org/probate/> including minutes and agendas.”

13. State Bar of Michigan Liaison Report – Richard Siriani

Richard Siriani was absent and did not provide a written report.

14. YLS Liaison Report – Phil Admiraal

Phil Admiraal was absent and did not provide a written report.

15. Program Facilitator Report – Erin-leigh Sexton

Erin-Leigh Sexton was absent and did not provide a written report.

**COMMITTEE ACTIVITIES**

1. Business Entities – Andrew MacLeod

Andrew MacLeod indicated that there will be a committee meeting on September 11, 2014, at the Detroit office of Dickenson Wright. The speaker will be Andy Frucci, who will be discussing the tax and other issues facing corporate tax departments.

2. Employee Benefits – Mickey Bartlett

Mickey Bartlett was absent but provided the following written report:

“May 7 ERISA Talent Show: Erin, with your help, we were able to send out a communication on this to the broader Taxation group, plus to local members of ASPPA. Unfortunately, as you know, ASPPA is having technical difficulties with their registration page on their website. I’ll send out a notice as soon as the website is working. In the meantime, folks can fax in their registration information using the form I sent out.

DOL Presentation. I’ve been corresponding with Carletta Murnane from the DOL. She’s helping me to get a DOL speaker on the topic of Health Care Reform medical plan audits. If everything works out ok, we’ll have the presentation in July.”

3. Estates and Trusts – Sean Cook

Sean Cook was absent but provided the following written report:

“Due to the April tax rush, the committee has not met although having a joint event with the MACPA and bringing in a speaker from the Venable firm is still in progress. More

details to come by the next meeting. Also, looking to expand the number of members is still a goal. We added a few names recently.”

4. Practice and Procedure – Evan Kaploe

Evan Kaploe indicated that there will be a committee meeting following the Tax Court luncheon.

5. State and Local Taxation – Tamika Mayes

Tamika Mayes was absent and did not provide a written report.

It was mentioned that Alan Valade will be making a presentation at the next committee meeting on June 18, 2014, at the Detroit office of Honigman Miller.

6. International Taxation – Hassan Jaafar

Hassan Jaafar was absent and did not provide a written report.

7. Young Lawyers

Council discussed various prospects for replacing Stephanie Teitsma as committee chairperson.

## **OLD BUSINESS**

1. Task Force Regarding Michigan Treasury Proposed Appeals Administration

Council discussed the status of the proposal to create a new tax court. Council also discussed sending a supplemental letter to Senator Caswell’s office.

2. Task Force Regarding Uncapping for Intra-Family Transfers

The task force has completed its work on this matter.

3. Revision of Tax Council Manual

Marjorie Gell asked Council members to send revisions to position descriptions to her.

## **NEW BUSINESS**

Lynn Gandhi indicated that she will prepare an annual report for submission with the SBM by May 31, 2014.

George Gregory discussed the *Frank Aragona Trust* case and the implications of the case with respect to the 3.8% net investment income tax.

James Combs mentioned that he, William Lentine, and Andrew MacLeod will be circulating a proposed IRS submission addressing accrual taxes on service businesses.

There being no additional business, a motion was made by Jackie Cook, seconded by Alexander Domenicucci, the meeting was adjourned at approximately 11:00 am.

Respectfully submitted,

A handwritten signature in black ink that reads "Alexander G. Domenicucci". The signature is written in a cursive style with a prominent initial 'A'.

Alexander G. Domenicucci  
Acting Secretary