

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

**April 28, 2011**

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on April 28, 2011 at 9:00 AM at the offices of Butzel Long located at Stoneridge West Bldg., 41000 Woodward Avenue, Bloomfield Hills, Michigan 48304. Gina M. Torielli, Chairperson of the Taxation Section, presided.

**COUNCIL MEMBERS PRESENT**

Michael Antovski	Warren Widmayer
Gina M. Torielli	Gary Remer
Daniel Houlf	Michael Domanski
Marjorie B. Gell	Wayne D. Roberts
Paul V. McCord	Ron Charlebois
Gary Glenn	Marla S. Carew
George Cassar	

**COUNCIL MEMBERS ABSENT**

Lynn A. Gandhi

**COMMITTEE CHAIRPERSONS PRESENT**

Andy Lane	Thomas Shaevsky
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**COMMITTEE CHAIRPERSONS ABSENT**

Alex Domenicucci	Chrisopher Ballard
Peter Kulick	Carolee Cameron

**OTHERS PRESENT**

Deb Michaelian	Jeff Kirkey
Eric Skinner	

Council Chairperson, Gina M. Torielli, called the meeting to order at approximately 9:00 AM.

**MINUTES**

The Minutes of the March 3, 2011 meeting of the Council had been previously distributed. Wayne Roberts reviewed for Lynn Gandhi and, after minor corrections from Gina Torielli, Marjorie Gell and Tom Shaevsky (all submitted in writing or by e-mail),

the motion to accept the Minutes was made by Michael Domanski, seconded by Ron Charlebois and was unanimously carried.

### TREASURER'S REPORT

Wayne D. Roberts provided his report as Treasurer. Wayne indicated that the Tax Section revenues are strong and that the majority of the expenses for the year are yet to be incurred. Both revenues and expenses are generally close to budgeted amounts at this point.

A motion to approve the Treasurer's report was made by Mike Domanski, seconded by Marla Carew, and unanimously approved.

### COUNCIL ACTIVITIES

1. Grant Program – Michael Domanski. Due to time constraints and scheduling conflicts, Michael Domanski was first on the agenda. Michael Domanski reported on the current status of recommended grants for 2011. Mike discussed the committee, which is comprised of Michael Domanski, Warren Widmayer and Dan Houlf and the process used to identify grant recipients and timing of the grants. The recommendation was summarized in a written report (attached).

Grant Committee made a recommendation as to grant recipients and amounts to be donated. The Committee's recommendation was approved. Marla Carew made the motion and it was seconded by Mike Antovski. The motion passed unanimously.

2. Continuing Professional Education - After Hours Tax Law Series – Jeff Kirkey and George Cassar.

Jeff Kirkey had no report, but reviewed some of the survey reports on ICLE topics. George then reviewed the ICLE program series and the topics covered in the last year. The programs and different options were discussed among the group, including recorded seminars and webinar options. George and Jeff indicated that they would proceed with topics and speaker ideas and solicited input from the members.

3. 2010 Tax Conference – Gary Remer. Gary reviewed the status of the Conference – with the current registration at 90 attendees. Gina noted that speakers and others are in addition to the 90 paid registrants. \$12,255 in Conference revenue has been collected to date by the Section and represents sponsorship income. ICLE collects registration revenue and pays expenses and submits the net amount to the Taxation Section, so none of this is reflected in the Treasurer's report.

Jeff Kirkey and Gary Remer discussed logistics, speakers and related administrative matters and provided a comprehensive update. Materials and programs will, in part, be posted to the ICLE website in audio and video. Also, written materials and CD materials will be available for all attendees. With respect to the 2012 Conference, Mike Antovski discussed the fact that planning for 2012 is under way, but is in preliminary stages.

4. Tax Court Luncheon – Gary Glenn. Gary Glenn provided a summary of the most recent Tax Court Luncheon in February, 2011 and the planning for the next scheduled luncheon, which again will be in Detroit. The increased attendance of law students is an important improvement in the Tax Court luncheon program.
5. Directory – George Cassar. George had no report on Directory. Deb Michaelian noted that the Directory may need to be updated for IRS and State of Michigan contacts due to personnel changes and the current IRS move.

A discussion of privacy came to the conclusion that no information in the Directory is confidential and unavailable in other places.

6. Michigan Bar Journal Liaison – Paul McCord. Paul McCord reported on the current Michigan Bar Journal schedule and the future involvement of the Taxation Section in future editions.

Paul discussed the fact that Section Briefs are due for the next issue and suggested adding a reference to meetings and potentially the current Michigan Amnesty program. Next theme issue for Tax is July 2012, with production ramping up now.

7. Michigan Tax Lawyer – Marla Carew.

Marla indicated that May 1 2011 is deadline for Committee Reports. The next issue is practice and procedure and international. Marla has articles for each topic, and has student articles. She is going to run the Section's Amicus policy, which should be out by approximately late May, 2011. The publishing date is dynamic due to layout, edits and related logistical issues that can take multiple requests to correct.

8. Internet – Daniel Houlf.

Dan Houlf provided an update on the current status of the Taxation Section's Facebook page. Dan indicated that he is being helped by Marjorie Gell and a Thomas M. Cooley Law School student in posting both links and documents to the site. Dan is hoping that the site, which is under construction, will be ready for a preliminary review by the next meeting. Dan has a beta link that he can share.

9. Federal and State Legislation – Marjorie Gell.

Marjie discussed current state legislation related to the currently pending corporate income tax and repeal of the Michigan Business Tax. The new tax would be a flat 6% tax on C corporations only with a small business tax at 1.8%, which is similar to the existing MBT. The details of the current proposal were reviewed, including credits and earned income provisions and the new tax on private pensions.

The ambiguities related carryover of NOLs and "certificated" credits were also reviewed in general.

Marjie then reviewed the Amicus brief that the Tax Section filed in the GM use tax litigation and noted that the Section's brief was the only Amicus to which the Department of Treasury filed a response.

Paul McCord then discussed the *Klooster* decision and the Tax Section's Amicus brief that was filed in that case. Paul reviewed the State Tax Commission report and related administrative matters related to *Klooster*.

10. Public Policy Liaison – Paul McCord. Paul McCord included this in his prior segment.
11. Annual Chairpersons' Dinner – Gary Glenn. Set for September 22, 2011 at St. John's Conf Center. Council meeting at 3 with annual meeting at 5. Cocktails at 5:30. There will be no paid speaker this year.

Gary reviewed the structure of other section annual meetings and the group discussed the purpose for the annual meeting. Warren discussed the fee for the meeting/meal and the group indicated that the fee is being subsidized so generally this is not a revenue producing event.

12. Membership Outreach Coordinator - Dan Houlf

Dan discussed law school efforts that are currently ongoing. Dan discussed the Wayne State program with Lynn Gandhi, Eric Skinner and Chuck Wright providing a practitioner's perspective for students interested in tax law. Dan also reviewed the University of Detroit program that he coordinated. Dan then reviewed the integration of law school students in the Annual Taxation Section Conference.

Dan would like to offer scholarships to law school students for the Annual Tax Conference. The ability to offer scholarships was reviewed. The Section has offered two scholarships per school in prior years and Warren suggested that he thought more than two scholarships had been offered. Dan was authorized to send invitations to the law schools to apply for scholarships by May 5, 2011 so the attendance can be confirmed.

PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT – Fred Hoops was absent and did not provide a written report. He reminded Gina about the Probate Section's annual meeting.

#### STATE BAR OF MICHIGAN LIAISON REPORT

David Perkins was absent and provided no report.

#### IRS AREA COUNSEL LIAISON REPORT

Eric Skinner was present and provided a review of IRS' planned move to the Comerica tower. Eric Skinner mentioned that the IRS will have four floors, including the 13<sup>th</sup> floor of the Comerica Tower. He and the IRS are working on a "we have moved" notice to interested parties. After May 16, 2011, the new address may be needed for submissions.

Judge Laro is coming for the next calendar – October 24, 2011. November S calendar will be held.

Eric mentioned the recent multi-million dollar whistleblower award to a taxpayer informant. Eric also discussed the current questions related to uncertain tax positions and how the IRS is starting to deal with UTP disclosures and procedures. He also reviewed the second offshore voluntary disclosure initiative program and the fact that there is now a special industry group division to address “global high wealth” issues involved in the offshore investments.

### YLS LIAISON REPORT

Phil Admiraal was absent but provided the following written report:

The YLS has asked the Tax Section to present at one of the breakout sessions at their annual summit this year. This is a great opportunity for the Tax Section to interact with the YLS. Marjorie Gell, Wayne Roberts and Tamika Mayes have agreed to present on the status of the Michigan corporate income tax. The title of the presentation will be “Talking the Talk: What every young lawyer needs to know about the Michigan Business Tax Climate.” We have provided the YLS summit organizers an outline that is included in the program materials. The summit is scheduled for May 20-21 in Grand Rapids.

### PROGRAM FACILITATOR REPORT

Deb Michaelian had no report.

### COMMITTEE ACTIVITIES

#### Business Entities – Alex Domenicucci

Alex was absent and provided the following written report:

The Business Entities Committee met on March 24, 2011. My law partner, James Combs, and I presented on the topic of "Judicial Doctrines Every Tax Lawyer Should Know." We had a handful (about 1/2 dozen) attendees. The discussion was particularly lively and engaging.

We are looking forward to the Annual Tax Conference at which Andrew MacLeod of Dickinson Wright will present on Targeted Partnership Allocations during the Business Entities Committee breakout session.

#### Employee Benefits – Thomas Shaevsky

Tom Shaevsky reported the March 11, 2011 ERISA program that the Employee Benefits Committee offered.

The employee benefits committee sponsored a March 11, 2011, telephonic meeting featuring David Pratt, Professor of Law, Albany University School of Law. Professor Pratt discussed the new fee disclosure regulations promulgated pursuant to section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended. More specifically, Professor Pratt addressed how retirement plan sponsors should analyze the voluminous and complex fee information they will be receiving from service providers. He also hypothesized how all the new fee information made available to plan sponsors could present a fertile new ground for class action litigation by plan participants. Approximately 30 people listened to Professor Pratt's presentation. Several participants had not participated in recent employee benefits committee events. Following the conclusion of the presentation, several listeners transmitted positive comments regarding the event.

#### Estates and Trusts – George Cassar

#### Practice and Procedure – Peter Kulick

Peter Kulick was absent and provided no report.

#### State and Local – Carolee Cameron

Carolee was absent and did not provide a report. She has a program scheduled for April 28, 2011 and has been working with Marjie on Tax Section initiatives.

#### International Law – Andy Lane

Andy Lane described the currently planned offshore voluntary disclosure program and the proposed Annual Conference program on international.

### **OLD BUSINESS**

Gina discussed our prior Offer In Compromise legislation and our prior initiative to eliminate the prepayment requirement in the Court of Claims. The proposed language was circulated and discussed. Marjie discussed the potential difficulty in having this legislation introduced due to other major issues facing the Legislature with the income tax reform bills.

The Court of Claims requirement to pay the tax, penalty and interest in dispute to obtain jurisdiction is the issue. This should raise only a timing issue and not a realistic cost to the State. Marjie also mentioned the OIC bill, which we have supported in the past.

Warren Widmayer moved to accept the language circulated by Marjie Gell, there was a second by Marla Carew and the motion carried unanimously.

### **NEW BUSINESS**

Gina raised the issue of Taxation Section Dues and circulated the dues for other sections. Taxation Section dues are \$30 and other, similar sections are approximately \$25 - \$30. After limited discussion, no action was taken with regard to Dues. There being no further business,

upon motion duly made by Ron Charlebois, seconded by Paul McCord and unanimously approved, the meeting was adjourned at approximately 10:50 AM.

Respectfully submitted,

Lynn A. Gandhi  
Secretary

By, Wayne D. Roberts, Treasurer