

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

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on September 8, 2005 at 3:00 PM. The meeting was held at the Skyline Club in Southfield, Michigan. Eric Nemeth, Chairperson of the Taxation Section, presided:

**COUNCIL MEMBERS PRESENT**

|                  |                   |                   |
|------------------|-------------------|-------------------|
| Eric M. Nemeth   | Charles M. Lax    | Aaron H. Sherbin  |
| Jay A. Kennedy   | Henry P. Lee      | Thomas J. Kenny   |
| Gina M. Torielli | Jess A. Bahs      | Jeffrey A. DeVree |
| Paul R. Jackson  | Joan R. Dindoffer | Sherill Siebert   |

**COMMITTEE CHAIRPERSONS PRESENT**

Warren J. Widmayer, Employee Benefits  
Fred Hoops, Estates & Trusts  
James Mauro, Practice & Procedure  
Wayne D. Roberts, State & Local

**COUNCIL MEMBERS ABSENT**

Alvin L. Storrs  
Ronald T. Charlebois

**COMMITTEE CHAIRPERSONS ABSENT**

Eric Carver, Business Entities

**OTHERS PRESENT**

Deb Michaelian, Program Facilitator  
Mary Hiniker  
John O'Hara  
Rob Heitmeyer  
Greg DiCenso  
Joseph Pia

The meeting was called to order at 3:10 P.M. by Council Chairperson, Eric Nemeth.

A. **MINUTES.**

The minutes of the last meeting of the Council had been previously distributed. Paul R. Jackson was not able to attend the last meeting, and should therefore be moved

from "Council Members Present" to "Council Members Absent". Also, Eric Nemeth indicated that he did not meet with Fulton Sheen as stated on page 3 of the Minutes. Jay Kennedy indicated that he will prepare revised Minutes with these corrections. There being no further comments, on motion duly made by Eric Nemeth and seconded by Tom Kenny to accept the minutes with these changes, the motion was unanimously carried.

B. TREASURER'S REPORT.

Aaron Sherbin submitted a Report for the period 10/1/04 to 7/31/05. He also distributed a comparison of budgeted vs. actual revenue and expenses for the period October 1, 2004 to September 30, 2005. Aaron commented that expenses of the successful Tax Conference were somewhat above the budgeted amount. Outreach expenses, including the cost of the law school luncheon meetings, were also above the budgeted amount. Eric Nemeth commented that this additional expense was worthwhile. While the Michigan Tax Lawyer expenses were significantly below budget, these expenses will even out over the next year as issues are published on a timely basis. A motion to approve the Treasurer's Report made by Eric Nemeth, and seconded by Chuck Lax, was unanimously approved.

C. COUNCIL ACTIVITIES.

Eric Nemeth asked for reports and was advised of the following:

1. After Hours Tax Law Series. Mary Hiniker indicated that a brochure for the 2005-2006 program has been prepared and mailed. The sessions include *Asset Protection Planning after the 2005 Bankruptcy Amendments* on Oct. 25, 2005; *Hot Topics in Nonprofit Taxation* on November 22, 2005; *Partnership Tax Basics* on January 24, 2006; and *Hot Topics in Estate and Gift Tax: The Audit Process from Filing to Tax Court* on February 21, 2006. Mary also handed out a report that indicated that the 2004-2005 After Hours Tax Law Series was very successful.

2. 2005 Tax Conference. Gina Torielli indicated that the 2006 Conference will be held on either May 18 or May 11. She will determine whether either of these proposed dates conflicts with the Probate Section annual seminar. Gina will also determine whether either of these dates conflicts with any ABA Taxation Section meetings. Gina mentioned that the St. Johns facility will have a larger ballroom available for the 2006 Conference. A motion to approve the May 11 or May 18 dates for the 2006 Conference made by Eric Nemeth, and seconded by Fred Hoops, was unanimously approved.

3. Tax Court Luncheon. Rob Heitmeyer of the IRS indicated that no full session of the Tax Court is scheduled until after April 1, 2006. He will forward the dates of the session to Deb Michaelian, and a luncheon will be scheduled at that time.

4. Directory. Joan R. Dindoffer indicated that the Directory has gone out to listserv members, and that there was nothing new to report.

5. Michigan Bar Journal Liaison. Ron Charlebois has indicated that there was nothing new to report at this meeting. The Tax Section is able to include announcements of up to 75 words in each issue of the Michigan Bar Journal.

6. Michigan Tax Lawyer. Tom Kenny indicated that the fall issue will be given to the publisher within the next 10 days.

7. Internet. Jeffrey DeVree indicated that a staff shortage at the State Bar has created a bottleneck for upgrading our website. He also discussed issues with renewing and transferring our domain name.

8. Federal and State Tax Legislation. Paul Jackson indicated that there have not been any formal comments by the State Bar regarding the proposed sales tax on legal services. Eric Nemeth discussed an Ad Hoc committee made up of Eric, Greg Nowak, Alan Valade and Wayne Roberts established to review this proposed legislation. This committee met with a legislator last week. Eric indicated that he expects that the Taxation Section will be asked by the State Bar to take a more active role in opposing this legislation, and that we will need to respond quickly. Paul Jackson suggested that the State Bar should consider hiring a lobbyist to assist with the opposition to the proposed sales tax on legal services. One effect of this tax could be a shift of legal work out of the state. Paul suggested that the Taxation Section could assist with advocacy and expert testimony in opposing the proposed tax. Eric Nemeth indicated that he will advise Elizabeth Lyon of the Michigan legislature to contact Chuck Lax for further assistance with this matter.

Wayne Roberts indicated that the legislature is considering a new amnesty provision.

Gina Torielli suggested that the Tax Section may want to push for a new Offer in Compromise alternative for Michigan taxpayers. Michigan does not currently have a program similar to the federal OIC program. Wayne Roberts indicated that Ohio and some other states have an OIC program. Eric Nemeth suggested that this proposal could be proposed through Elizabeth Lyon of the Michigan legislature.

9. Membership Outreach. Joan Dindoffer indicated that a student from the University of Michigan Law School will be providing an article for the upcoming issue of the Michigan Tax Lawyer, and that a University of Detroit Law School student will provide the article for the next issue. Joan mentioned that she has made contact with Jeff Kirke of the Young Lawyers Section. Joan also indicated that Greg DiCenso will serve as the next Outreach Coordinator.

10. Annual Meeting. The annual meeting will follow the Council meeting.

#### D. COMMITTEE REPORTS.

1. Business Entities. Eric Carver submitted a written report. Eric's successor John O'Hara also briefly outlined his plans for the upcoming year.

2. Employee Benefits. Warren Widmayer submitted a written report that described a July 26, 2005 meeting with Tom Anderson of Pensco Trust Co. The topic was investment in real estate by IRAs. On Sept. 7, 2005 members of the Committee met with the Detroit EP/EO Examination Division Managers in a roundtable session arranged at the request of the Detroit office managers. A meeting is scheduled for September 28 featuring Sal Tripodi of TRI Pension Services, Inc. This meeting will be held at the Sheraton Novi Hotel from 1:00 to 5:00. Warren indicated that Mr. Tripodi is a nationally recognized expert on employee benefits issues. Sal will discuss recent developments with employee benefits. The cost of this program is \$30.00 to Taxation Section members and \$75.00 to nonmembers. A discussion followed Warren's report where it was generally agreed that a limited number of spots at the Sal Tripodi seminar should be held for law students.

3. Estates & Trusts. Fred Hoops indicated that a meeting is scheduled for September 21, 2005 featuring Richard Nino, who will discuss asset protection trusts.

4. Practice & Procedure. James Mauro discussed the activities of the Committee over the past year, including the Tax Conference session with Judge Laro, joint meetings with other Committees, and the use of video conferencing. He also introduced his successor, Joe Pia. Topics at upcoming meetings are expected to include Circular 230 issues and the push for a possible Michigan Offer in Compromise procedure.

5. State & Local. Wayne D. Roberts submitted a written report that discusses his telephone conference with Nat Forstner regarding the status of Michigan tax reform. Various bills passed by the Michigan House of Representatives are discussed in the report.

6. Probate and Estate Planning Section Liaison. Shirley Kaigler was not present and did not submit a report.

7. Report of the State Bar of Michigan Liaison. Bruce Courtade was not present and did not submit a report.

E. OLD BUSINESS.

Eric Nemeth indicated that there has been no activity regarding the proposed Michigan Tax Tribunal Commission, which was discussed at our last meeting.

Eric also indicated that the Taxation Section must amend its By-laws to change the date of the Annual Meeting.

G. NEW BUSINESS.

Eric introduced Rob Heitmeyer, IRS counsel, who is serving as the IRS liaison as discussed at the Council's prior meetings. Rob indicated that he expects to be appointed as Managing Counsel to oversee the Michigan IRS office.

There being no further business, a motion to adjourn was made by Sherill Siebert and seconded by Jay Kennedy. After unanimous consent, the meeting was adjourned at 4:45 P.M.

Respectfully submitted,

Jay A. Kennedy  
Secretary