

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

A regular meeting of the Tax Council of the State Bar of Michigan Taxation Section was held on Friday, September 12, 2003, at 8:00 a.m. The meeting was held at the Lansing office of Honigman, Miller, Schwartz and Cohn, LLP. Edward M. Deron, Chairperson of the Tax Section, presided:

**COUNCIL MEMBERS PRESENT**

Edward M. Deron	Sherill Siebert
Eric M. Nemeth	Charles M. Lax
Shirley A. Kaigler	Jay Kennedy

**COMMITTEE CHAIRPERSONS PRESENT**

Ronald T. Charlebois, Business Entities  
George H. Runstadler, III, Estates & Trusts  
Jess A. Bahs, Practice & Procedure  
John M. Neberle, State & Local

**COUNCIL MEMBERS ABSENT**

Anthony J. Caputo  
Henry P. Lee  
Thomas J. Kenney  
David B. Deutsch  
Steven Z. Ettinger  
Michael O. Love  
Trevor T. Wetherington

**COMMITTEE CHAIRPERSON ABSENT**

Mary Jo Larson, Employee Benefits

**OTHERS PRESENT**

Eric T. Weiss, Ex-Officio, Past Council Chairperson  
George Gregory, Past Council Chairperson  
Jan M. Baggett, Program Facilitator  
Aaron H. Sherbin  
Joan R. Dindoffer  
Jeffrey A. DeVree  
Eric Thomas Carver  
James F. Mauro

Warren J. Widmayer

The meeting was called to order at 8:03 a.m. by Council Chairperson, Edward M. Deron. Ed first introduced Warren J. Widmayer as the incoming Employee Benefits Chairperson, James F. Mauro as the incoming Practice & Procedure Chairperson, and Eric Thomas Carver as the incoming Business Entities Chairperson. Furthermore, he introduced Aaron H. Sherbin, Joan R. Dindoffer, and Jeffrey A. DeVree as nominated, incoming Tax Council Members.

A. MINUTES.

The minutes of the last meeting of the Council had been previously distributed. Various comments were received pertaining to those minutes. The comments have been incorporated therein. There being no other comments, on motion duly made by Eric Nemeth and seconded by John Neberle to accept the minutes, the motion was unanimously carried.

B. TREASURER'S REPORT.

Prior to the meeting, Eric Nemeth circulated a summary of activity, reconciliation with the State Bar of Michigan records and a comparative year to year budget through the period July 31, 2003. Eric indicated that he had just received information for the month of September and anticipated preparing and submitting his final report through September 30, 2003 at the next Tax Council meeting. Eric next reported that on a year to year basis, the Tax Section has operated under budget. In part this was due to one less edition of the Michigan Tax Lawyer and the costs attributable to the Tax Section Directory being deferred until the next fiscal year.

A discussion next took place concerning the proposed budget for the period October 1, 2003 through September 30, 2004. Ed Deron recommended modifying it by increasing the expenditures for the Michigan Tax Lawyer from \$14,000 to \$18,000, increasing the Tax Council meetings expenditures from \$1,500 to \$3,000 which will include increased costs for next years annual meeting, as well as including expenditures of \$5,000 for the Tax Section Directory. Any further action on the budget would be deferred until the next Tax Council meeting.

C. COUNCIL ACTIVITIES.

Ed Deron asked for reports and was advised of the following:

1. After Hours Tax Law Series. Shirley Kaigler reported that the series for the fiscal year beginning October 1, 2003 has been finalized. It will be made up of four programs. The first program scheduled October 28, 2003, will cover "Hot Topics in Estate and Gift Tax." The second program is scheduled for November 18, 2003 and will be entitled "Tax Aspects of Buying or Selling a Business." The third program is scheduled for January 13, 2004 and is titled "Tax Aspects of Business Succession

Planning.” The final program is scheduled for February 15, 2004 and will cover “Estate Planning for Retirement Benefits.”

Shirley next reported that all of the speakers have been finalized. A brochure has already been sent this summer to Tax Section Members detailing the program. Furthermore, approximately two weeks before each program, an email will be sent to Tax Section Members under the signature of the Tax Section Chairperson reminding them of the next program. Shirley indicated that she had hoped this would further increase attendance at those programs.

2. Summer Tax Conference.

Neither Tony Caputo, Chairperson of the 2003 Summer Tax Conference, nor Henry Lee, Chairperson for the 2004 Summer Tax Conference, was present and no written reports were provided. Ed Deron reported that the 2003 program had been held at the Double JJ Resort in Rothbury, Michigan on June 27th and June 28th with approximately 52 attendees. Next year’s program will be held at the Soaring Eagle Resort on June 25 and June 26, 2004.

3. Tax Court Luncheon. Tom Kenny was not present, however, John Neberle and Eric Nemeth reported that the next Tax Court luncheon had been set for September 30, 2003 at the Detroit Club. Approximately 30 people are expected. Judge Swift and new Judge Holmes will both be present. Eric further commented that he anticipated not only attendance from members of the Tax Section, but also government attorneys.

4. Directory. Trevor Wetherington was not present and provided no written report. Ed Deron commented that it was hoped the new directory would be available shortly.

5. Michigan Bar Journal. Tom Kenny was not present and provided no written report. Ed Deron indicated that the September 2004 Michigan Bar Journal would be designated as a “tax issue.” Tom’s successor will provide details as soon as they are available to the Committee concerning publication of articles in that edition.

6. Michigan Tax Lawyer. David Deutsch was not present and provided no written report. Ed Deron reported that the Spring/Summer issue was complete and would finally be mailed within the next day or two. This edition was substantially behind schedule.

Ed next reported that due to Steve Ettinger’s resignation from the Tax Council, Jay Kennedy had agreed and will immediately take over responsibility for the upcoming year. Jay reported he would be meeting within the next week or so with David Deutsch. With respect to the fall 2003 edition, the deadline for articles and reports would be delayed until the end of October. With respect to future articles, Jay will provide a schedule of dates and committee article assignments shortly. Ed Deron

indicated that tentatively the Winter 2004 would have a January 15th deadline and the Spring/Summer 2004 would have a May 15th deadline for the submission for articles and materials.

7. Annual Meeting. Jay Kennedy reported that the speaker for the annual meeting program later in the morning, State Senator Nancy Cassis, had unfortunately canceled last week. He indicated, however, Senator Cassis' office had located Howard Ryan as a replacement. John Neberle indicated Howard was well qualified and a capable replacement and that we should enjoy his comments.

Jay concluded his report by thanking Sherill Siebert and Honigman, Miller, Schwartz & Cohn, LLP for allowing us to utilize their offices for the meeting this morning.

8. Internet. Mike Love was not present and no written report was provided.

9. Federal and State Tax Legislation. Tom Kenny was not present and provided no written report.

#### D. COMMITTEE REPORTS.

1. Business Entities. Ron Charlebois reported that there had been no activities since the Tax Council's last meeting. He further indicated he was in the process of transitioning the Committee Chairmanship with incoming Chairman, Eric Carver.

2. Employee Benefits. Although Mary Jo Larson was not present, she submitted a report. It indicated that the Employee Benefits Committee had last met on Monday, September 8, 2003 at the offices of Honigman, Miller, Schwartz & Cohn, LLP in Detroit with Daniel S. Gardner, Employee Plans Group Manager, Great Lakes Area, Internal Revenue Service, TE/GE. Mr. Gardner spoke on current Section 403(b) and Section 457 issues, including the finalization of Section 457 Regulations and proposed unpublished changes to Section 403(b) audit guidelines. Mary Jo further reported that the next meeting of the Employee Benefits Committee would be co-sponsored with the Michigan Employee Benefits Conference on November 20, 2003 at the Red Run Golf Club. This will be a dinner meeting and Paul Schultz, Director, Employee Plans & Agreements, Internal Revenue Service; TE/GE will be the featured speaker.

3. Estates & Trusts. George Runstadler reported that the Estates & Trusts Committee last met on July 23, 2003 at the Fifth Third Bank offices at the Town Center in Southfield. The speaker for the program was William E. Sigler of Maddin, Hauser, Wartell, Roth & Heller, P.C. Mr. Sigler's presentation dealt with distributions from IRAs and qualified plans. George reported that Mr. Sigler did a "wonderful job" on a most difficult and challenging topic.

4. Practice & Procedure. Jess Bahs indicated there had been no committee activities since the last Tax Council meeting. He further indicated that he had participated with a number of members of Tax Council in a recent practitioner liaison meeting with Detroit area IRS personnel. Although the meeting was well attended and it allowed practitioners and IRS personnel to interchange ideas, nothing substantive occurred.

5. State & Local. John Neberle reported that members of the State & Local Committee met recently with Jack L. Van Coevering the incoming Chairperson of the Michigan Tax Tribunal. At this time, Mr. Van Coevering is waiting for legislative approval. The purpose of the meeting was to exchange ideas on a list of "troubling items" for practitioners. The meeting exceeded four hours in length and John reported that many of the items would be considered by Mr. Van Coevering. Another session has been planned for October 14th and John will report back at that time. The balance of John's report dealt with legislative and administrative updates concerning Michigan taxes.

6. Probate and Estate Planning Liaison. George Gregory reported he had attended the Probate Section's Summer Conference. He noted the agenda items that would be of interest to the Tax Section were the Uniform Trust Act and amendments to the Principal and Income Act. He further reported that the Probate Section would be holding their annual meeting on September 20, 2003 at a location separate from the State Bar of Michigan's annual meeting. Finally, the new officers of the Probate Section would be installed on October 25th at the organizational meeting for the upcoming fiscal year.

E. OLD BUSINESS. None.

F. NEW BUSINESS. Ed Deron called on Sherill Siebert. Sherill Siebert indicated she had been contacted by Community Legal Resources, a non-profit organization providing legal advice through volunteers to community agencies. Those agencies include homeless shelters, job training programs, youth programs, etc. Specifically, they indicated that they welcome all volunteers and would be willing to train them in order to provide tax advice for the different agencies. Sherill commented that this would be a possible outreach program for the Tax Section, however, anyone who was interested individually could see her and she would provide them with materials.

Sherill next reported that she had attended a meeting of the Chairpersons of the various Sections of the State Bar in Ed Deron's place. The purpose of this meeting was to consider amendments to the bylaws of the State Bar dealing with how the State Bar, as well as its Sections, handles public policy positions. Sherill noted that the Sections are permitted to take inconsistent positions with the State Bar on legislation, regulatory and other related matters. In the event, however, a Section now takes a position on one of these matters, a form must be filed with the State Bar within ten days notifying them of that position. This presumably, provides the State Bar with an opportunity to support their Section's position. Also, Sherill reported that there was a terrific on-line service,

which can be accessed through the State Bar website and delineates all of the positions taken by the State Bar and their Sections with respect to these matters. Sherill noted that in taking a position, notification to the State Bar of Michigan must include the names of each Council Member who voted for and against a particular position.

There being no further business, a motion to adjourn and proceed to the Annual Meeting was made by Eric Nemeth and seconded by Ron Charlebois. After unanimous consent, the meeting was adjourned at 9:05 a.m.

Respectfully submitted,

Charles M. Lax  
Secretary