

**COUNCIL OF TAXATION SECTION
MINUTES OF REGULAR MEETING
September 19, 2007**

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on September 19, 2007 at 3:00 PM at Meadowbrook Country Club in Northville, Michigan. Aaron H. Sherbin, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

Aaron H. Sherbin	Wayne Roberts
Jay A. Kennedy	Gina M. Torielli
Jess A. Bahs	Michael Domanski
Ronald T. Charlebois	Marjorie Gell
Charles M. Lax	Joan R. Dindoffer
Paul R. Jackson	Frederick H. Hoops III
Warren Widmayer	

COMMITTEE CHAIRPERSONS PRESENT

Douglas Stein, Estates and Trusts
John O'Hara, Business Entities
David Walters, Employee Benefits
Paul McCord, State & Local

COUNCIL MEMBER ABSENT

Alvin L. Storrs

COMMITTEE CHAIRPERSON ABSENT

Joseph Pia, Practice and Procedure

OTHERS PRESENT

Eric Skinner, IRS Liaison
Deb Michaelian, Program Facilitator
Mary Hiniker, ICLE
Laura Freeman, ICLE

Council Chairperson, Aaron H. Sherbin, called the meeting to order at 3:00 PM.

A. **MINUTES.**

The Minutes of the last meeting of the Council had been previously distributed. There being no changes to the Minutes, the Minutes were accepted by unanimous vote, after the motion of Gina M. Torielli, as seconded by Frederick H. Hoops III.

B. TREASURER'S REPORT.

Jess A. Bahs submitted a report for the 2007-2007 fiscal year. The report indicated cash of \$181,620.92 on hand at the end of fiscal period. Jess reviewed his report with a comment that the amounts of the actual revenues and expenses for the 2007 Tax Conference have yet to be fully included. Further, the Lexis-Nexis payment has not been received (due to undisclosed internal reorganization problems at Lexis-Nexus) and there was a possibility that payment may be further delayed until October. However, with projected net revenues from the Annual Tax Conference, and with each of the Committee's actual expenses below the budget for the year, Jess indicated that the Section's financial operations appear to be within the budget for the current fiscal year. A motion to approve the Treasurer's report was made by Frederick H. Hoops III, seconded by Gina M. Torielli, and unanimously approved.

C. COUNCIL ACTIVITIES.

Aaron Sherbin asked for reports and was advised of the following:

1. After Hours Tax Law Series – Alvin Storrs. Alvin Storrs was not present and did not submit a written report. Aaron indicated that all arrangements for the 2007-2008 After Hours Tax Law Series had been finalized.

2. Continuing Professional Education. Paul McCord reported on two upcoming CPE events. The first program scheduled for October 8 2007 at the Inn at St John's will focus on the new Michigan Business Tax ("MBT"). The second program was the First Annual Joint MACPA/State Bar Taxation Section/Michigan Department of Treasury and will consist of a 2 day conference scheduled for November 7 & 8, 2007, with a comprehensive review of Michigan tax law and issues.

3. 2007 Tax Conference – Warren Widmayer. Warren was present and indicated that since his final report to Council on the 2007 Annual Conference was presented at the prior Council meeting, he nothing further to add.

4. 2008 Tax Conference – Frederick H. Hoops, III. Fred was present and indicated that the 2008 Annual Conference has been scheduled for May 28th at the Inn as St John's. Fred also indicated he was able to secure Stout Risius Ross and 5th/3rd Bank as sponsors. Several other possible sponsors contacted by Fred had declined. He will continue efforts to locate two additional sponsors. Speakers already secured for the 2008 Conference include Ira B. Shepard (a featured speaker at the 2007 Conference), Jeffrey N. Pennell (Professor of Law, Emory Law School), and Jeffrey DeVree (Clark Hill).

5. Tax Court Luncheon – Joan Dindoffer. Joan was present and reported that the next Tax Court luncheon has been scheduled for October 30th. The luncheon will be in honor of Judge Carolyn P. Chiechi and she has agreed to provide a brief presentation to those in attendance.

6. Directory – Gina Torielli. Gina was present and reported that the directory project is completed and currently there is nothing to report.

7. Michigan Bar Journal Liaison – Paul R. Jackson. Paul was present and indicated that a posting of Section's events will be published in the Section Briefs column of the October issue of the *MBJ*. Paul reminded everyone to post as soon as possible on the Section's on-line calendar all upcoming Section's events as this will provide materials that may then be published in a future Section Briefs column.

8. Michigan Tax Lawyer – Marjorie B. Gell. Marjorie reported a number of articles for the next edition of the *MTL* had been received or were otherwise expected to be received shortly. She also noted that she is assisting her successor, Lynn A. Gandi, in the transition of her duties.

9. Internet – Gina Torielli. Gina mentioned that the notice previously sent to Section members encouraging them to join a Committee did generate additional interests by some members. Gina then reported to Council the contents of a certain e-mail from Vice Chair of the Publications and Web-Site Advisory Committee (PWAC). A copy of the e-mail was distributed to Council. The PWAC had requested that the Section remove password restrictions on current seminar materials in order to make these materials available for the Google search engine to be installed on the Bar's web-site. After discussion, it was decided that the Section would decline the request to have the password restrictions removed at this time. Finally, Gina distributed the August 31, 2007 letter with attachment from Mary Hiniker of ICLE summarizing three separate proposals for consideration by Council. These proposals were the results of discussions the Council authorized Gina to have to explore ways ICLE and the Section could further collaborate. Although not much interest was expressed by the Council on the first proposal (offering administrative and marketing support for the Section's annual Tax Conference), the remaining proposals from ICLE (regarding producing short audio educational segments and live web-casts of Committee CLE events) were deemed to be worthwhile. On behalf of Council, Aaron instructed Gina and Jay to prepare a response to ICLE based upon the interest of Council in these two areas.

10. Federal and State Legislation and Public Policy Liaison – Wayne Roberts. Wayne was present and reported that in addition to the October 9th program on the new tax legislation previously reported on by Paul, ICLE expressed interest in jointly offering a program with the Section in February of next year to assist in on-going understanding of, and compliance with, the MBT. Wayne also gave an explanation why there is hardly any MBT rules promulgated by the Department of Treasury (although a Q & A column is now posted on the Department's web-site). Wayne concluded his report by providing a brief summary of the current status of proposed technical amendments to the MBT and the current budget crisis facing the State.

11. Membership Outreach Coordinator – Michael W. Domanski. Michael was present and reported that he was working on a scheduling the next meeting in the fall at Wayne Law School. Aaron encouraged all members of Council, especially alumni of the Wayne Law School visited, to participate in these events. A possible meeting at the University of Windsor Law School was also being considered. Further information on these events will be provided to Council at a later date.

12. Annual Meeting/Past Chairperson's Dinner – Paul R. Jackson. Paul was present and submitted a written report summarizing the proposed financial results for the annual meeting and dinner scheduled to commence shortly after the conclusion this Council meeting. Paul expressed his appreciation for all of the hard work by Deb Michaelian in preparing for these events.

13. Grant Program Jay A. Kennedy. Jay reported that he had received letters from each of the 2007 grant recipients expressing gratitude for their respective gifts from the Section. Jay also brought to the attention of Council the September 13th letter from the Accounting Aid Society asking the Section to sponsor the organization's 35th Anniversary Dinner Gala and Fundraiser on October 4th. Following discussion, Joan Dindoffer moved to approve payment of \$1,500 of funds from the Section to sponsor said event on the condition that this payment be applied towards any 2008 grant made to the Accounting Aid Society. This motion was seconded by Aaron and unanimously approved.

D. COMMITTEE ACTIVITIES.

Aaron Sherbin then asked for reports and was advised of the following:

1. Business Entities - John M. O'Hara. John was present and stated that he had nothing to report other than that he is currently working on transition of duties to his successor.

2. Employee Benefits - David B. Walters. David was present and reported that the annual presentation to the Employee Benefits Committee by Sal Tripodi, ASPPA's President-Elect, would take place tomorrow at Sheridan Hotel in Northville. 115 have registered for this event with 42 from the Taxation Section.

3. Estates & Trusts – Douglas Stein. Doug was present and reported that he intends to schedule a "tax tip" meeting prior to the end of the calendar year.

4. Practice and Procedure - Joseph Pia. Joe was not present but filed a written report indicating that the June 13th IRS Practitioner Liaison seminar was held as scheduled. No other events were scheduled at the time of his report.

5. State and Local – Paul V. McCord. Paul was present but his prior reports to Council earlier in this Meeting included his Committee activities and thus he had nothing further to add.

E. PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT.

Lorraine New was present and did file a written report on recent activities of the Probate and Estate Planning Section. This Section is continuing to discuss issues concerning powers of attorney. Work on the proposed Michigan Uniform Trust Code is also proceeding with the entire package to be completed hopefully by next year. She also referenced that the latest version of the Probate Journal was sent out electronically.

F. STATE BAR OF MICHIGAN LIAISON REPORT.

Lambro Niforos was unable to attend and did not file a written report.

G. IRS AREA COUNSEL LIAISON REPORT.

Eric Skinner was present as IRS Liaison. Rob pointed out that his office was getting ready for the October regular Tax Court calendar (with Judge Chiechi presiding) and the November S corporation Tax Court calendar (with Judge Laro presiding). He also mentioned that the IRS was launching a new audit program on October 1st that randomly select taxpayers in two focus groups, namely, pass-through entities and individuals with incomes of \$200,000 or more excluding Schedule C. These audits will be detailed and the data collected will be used to fashion updated audit selection criteria as well as to identify non-compliance and other information from the taxpayers in the focus groups.

H. PROGRAM FACILITATOR REPORT – DEBORAH L. MICHAELIAN.

Deb indicated that she had nothing to report at the present time. She urged everyone to promptly respond to all Council e-mails requesting replies from members since in many cases a prompt reply will be needed to avoid missing a deadline.

I. NOMINATING COMMITTEE REPORT.

The Committee, consisting of Aaron and the past three Chairpersons, will present its nominations for Officers and new Council members later today at the September 19th annual meeting of the Taxation Section.

J. OLD BUSINESS.

Tax Patents. Jay was pleased to report that Congressional action was being undertaken to eliminate tax planning methods as patentable. A copy of the Patent Reform Act of 2007 was passed out to Council member. The Act was passed by the House and placed on the Senate's calendar. Many commentators expect the Act to be enacted into law as early as next year.

Removal of MTL Paid Advertising References. Aaron reconfirmed the prior position of Council with respect to the need to remove any reference to "paid advertising" contained within the Policy Manual with regards to the *MTL*. Aaron requested that Deb purge all such references from the Policy Manual and deliver to Council the replacement page(s) of the Policy Manual to reflect all such changes have been made.

K. NEW BUSINESS.

Gina raised the idea of having an electronic version of the Michigan Tax Lawyer instead of, or together with, the paper version. It was noted that a switch would not have a negative impact on the budget but some Council members were not quite willing to consider this issue as yet. Aaron concluded that this proposal should be considered further at a later date.

Jess reported that a box of past minutes was passed down to him when he became Secretary. Instead of transferring same to his successors, he proposed that same be scanned in searchable format at a cost of approximately \$800. Upon a motion by Joan Dindoffer, seconded

by Warren Widmayer and unanimously approved, Council agreed to have these old minutes scanned in searchable format for \$800.00 (but only after confirmation that the State Bar of Michigan had not already scanned these minutes).

Aaron then brought up for discussion the possible use by Council of an electronically delivered E-Newsletter. One format for the Section would be somewhat akin to the E-Newsletter published by the Business Law Section. Following discussions, Aaron, on behalf of Council, acknowledged an interest in having a periodical E-newsletter issued by the Section but needed more information concerning costs and who would be responsible for its content and publication. This may require the formation of a new Council activity coordinated by a designated Council position. Aaron concluded that this proposal should also be considered further at a later date.

There being no further business, upon motion by Chuck Lax, seconded by Warren Widmayer and unanimous approved, the meeting was adjourned at approximately 4:30 PM.

Respectfully submitted,

Ronald T. Charlebois
Secretary