

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

**October 23, 2008**

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on October 23, 2008 at 9:00 AM at Varnum Riddering, Schmidt & Howlett, Novi Michigan. Jess A. Bahs, Chairperson of the Taxation Section, presided.

**COUNCIL MEMBERS PRESENT**

Jess A. Bahs	Gina M. Torielli
Warren J. Widmayer	Jay A. Kennedy
Fred Hoops	Wayne Roberts
Paul V. McCord	Jack Van Coevering
Lynn M. Gandhi	

**COMMITTEE CHAIRPERSONS PRESENT**

Lisa Zimmer, Employee Benefits  
George V. Cassar, Estates and Trusts  
Michael Domanski, International  
Marla S. Carew, State and Local

**COUNCIL MEMBERS ABSENT**

Ronald T. Charlebois  
John M. O'Hara  
David Walters  
Marjorie B. Gell

**COMMITTEE CHAIRPERSON ABSENT**

Marko Belej, Business Entities Committee  
Jeff Freeman, Practice and Procedure

**OTHERS PRESENT**

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

Council Chairperson, Jess A. Bahs, called the meeting to order at 9:05 AM. Before proceeding with scheduled business, all those present introduced themselves at the Chairperson's request.

A. MINUTES.

The minutes of the last meeting of the Council had been previously distributed. The minutes were accepted by unanimous vote, after the motion of Lynn Gandhi, as seconded by Jay Kennedy.

B. TREASURER'S REPORT AND BUDGET.

Gina Torielli, incoming Treasurer, presented Ron Charlebois' final report for the fiscal year ending September 30, 2008 in his absence.

Gina noted that cash on hand increased by more than \$8,000 during the fiscal year. Although revenue for the year was less than projected, the committees spent considerably less than was budgeted, resulting in a net surplus for the year. Gina also noted that she expects that some committee expenses from the fiscal year ending September 30, 2008 may still be submitted, which would reduce the surplus somewhat.

A motion to approve last year's final Treasurer's report was made by Gina Torielli, seconded by Fred Hoops, and unanimously approved.

Gina Torielli next submitted a proposed budget for the period from October 1, 2008 through September 30, 2009. She indicated that she was projecting revenue at a level approximately \$2,000 less than the actual revenue for the year ending September 30, 2008. On the expense side, she increased the budget for the three committees with the smallest budgets last year by amounts ranging from \$1,500 to \$2,000. She expressed the hope that this would encourage the committees to take advantage of ICLE's offer to web-broadcast committee meetings, broadening the reach of the committees and expanding the committees' services to Section members in outlying regions of the state. Mary Hiniker stated that the cost for this service was in the range of \$400 if the committee meeting is held at St. Johns or ICLE's Ann Arbor facilities on a day that ICLE is already scheduled to broadcast.

Gina also noted an increase in the budgets for the Michigan Tax Lawyer, due to one issue from last year moving into this fiscal year's budget. Lynn Gandhi commented that unless the Council gets a contract with the printer that locks in costs for an issue, it will be difficult to project the costs with any accuracy, since it is never clear how much publishing an issue of the Michigan Tax Lawyer will cost. Gina also noted increases in the Tax Court Luncheon and After Hours Tax Series budgets to bring them into line with actual expenditures in the previous fiscal year; an increase of \$2,000 in the grant program budget; and a budget of \$2,300 for Listserv and e-Newsletter expenses, recognizing the need to budget for these items that were not previously budgeted for. She noted that if followed, the proposed budget would result in an appropriate decrease in the Section's surplus funds. The committees are encouraged to use their budgets.

A motion to approve the proposed 2008-2009 budget was made by Gina Torielli, seconded by George Cassar, and unanimously approved.

C. COUNCIL ACTIVITIES.

Jess Bahs asked for reports and was advised of the following:

1. Continuing Professional Education and After- Hours Tax Law Services – Mary Hiniker and Mike Domanski – Mary and Mike were both present, and distributed a brochure and separate report. Mary indicated that the November attendance for the After-Hours Tax law seminars was as follows: 50 live attendees, 24 by webcast. Mary also indicated that there already are 50-65 attendees signed up for the January and February seminars.

Mike presented the future topic idea of drafting tax provisions for agreements.

Mary distributed a report giving details of costs and available dates for the After-Hours Tax law Series. She noted that Ann Arbor provided more choices of dates and times, and indicated that dates are becoming harder to set in place at the Inn at St. John's and urged everyone to get their commitments in as soon as possible. She also renewed ICLE's offer to produce more segments of the "10 Top Tips" series, and noted that Gina Torielli and a colleague worked hard on creating the first several of these, which are currently available for viewing on ICLE's web site.

2.
  - a. 2009 Tax Conference – Marjorie Gell. Marje was not present but made a written report in which she raised concerns regarding potential sponsors (Schechter and 5<sup>th</sup>/3<sup>rd</sup>). There was also a discussion regarding the speeches given by the sponsors at the tax conference, and consideration of setting a policy in this regard.
  - b. 2010 Tax Conference – John M. O'Hara. John was not present and did not submit a written report.
3. Tax Court Luncheon – Jack Van Coevering. Jack was present. The past committee chair for the Tax Court Luncheons, Warren Widmayer, reported on the October 22, 2008 luncheon. Warren noted the favorable comments received from Judge Paris, as well as other judges who spoke at other luncheons, regarding the attendance of the Tax Court Luncheons by law students and the Section's support of student outreach. A motion to cover the luncheon costs of a number of law students who attended the luncheon at the last minute when they learned that it coincided with their attendance of the Tax Court session was made by Warren Widmayer, seconded by Fred Hoops and unanimously approved.
4. Directory – Fred Hoops. Fred Hoops was present and indicated that the directory is in process at this time.
5. Michigan Bar Journal Liaison – Paul McCord. Paul McCord was present and made an oral report. Paul indicated that the Tax edition of the *Michigan Bar*

*Journal* would be published late in 2009. He also indicated that by mid-December he will need proposed topics and would like one article per committee by the end of November. Paul will circulate a production schedule as well.

6. Michigan Tax Lawyer – Lynn Gandhi. Lynn Gandhi was present and made an oral report. Lynn indicated that the proofs for the Fall 2008 edition are out and authors are looking at them. She stated that the delay in publication was mainly due to tardy committee chair reports. Lynn will circulate the schedule again with deadlines for getting these reports in.

The Employee Benefits Committee provided most of the articles for the upcoming issue. Mike Domanski's International Tax Committee has responsibility for generating the feature article for the next issue. Lynn agreed to seek input from two committees per issue.

7. Internet – Fred Hoops. Fred was present, and indicated that there was nothing new to report. Jess Bahs requested that everyone brainstorm to provide more value to the membership via the internet.
8. Federal and State Legislation and Public Policy Liaison – Wayne Roberts. Wayne Roberts was present and made an oral report on the following items:

Bailout bill tax provisions – Wayne believes that there should be a CLE on this and suggested that it be considered for a 10 Top Tips video.

Michigan offer in compromise legislation - Wayne is trying with Gina to garner broader support on this. A position has already been taken and the State bar notified. Support is building informally among grant recipients.

Discussion of the pending transfer tax legislation was deferred to later on the agenda.

9. Membership Outreach Coordinator – Dave Walters. Dave Walters was not present but did submit a written report indicating that he solicited law school involvement in the recent Tax Court Luncheon and received a good response.
10. Annual Meeting/Past Chairperson's Dinner – Jack Van Coevering. Jack was present and gave an oral report. Jack reported that the State Bar is having their annual meeting in the Detroit Area this year, and is encouraging the sections to return their section annual meetings to the state annual meeting this year. Jack reported that ICLE does its solo and small firm institute at the annual meeting, which draws a lot of young lawyers to the State Bar Annual Meeting. Jack will make contact with the State Bar and discuss the Tax Section's options so this idea can be considered further.
11. Grant Program – Dave Walters Dave was not present but submitted a written report indicating that he is transitioning the grant program materials from Joan Dindoffer so that the application packages can be prepared.

D. PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT.

Lorraine New was not present and did not submit a report.

E. STATE BAR OF MICHIGAN LIAISON REPORT

Lambro Niforos was absent and did not submit a report.

F. IRS AREA COUNSEL LIAISON REPORT

Eric Skinner was present and made an oral report. He reported that the most recent Tax Court docket went well but did run a bit longer than usual. Eric indicated that LMSB has increased its mid-sized business activity level and the cases and issues are going further due to the lack of sophisticated or experienced practitioners representing these smaller taxpayers. There is a higher volume of cases on the docket for the March session as well.

G. PROGRAM FACILITATOR REPORT

Deb Michaelian was present and gave an oral report. She offered her assistance to the committees and stated that the best way to enlist her assistance was to send her an email. She will then get meeting notices emailed or posted within a couple of days. She also asked that when an email is received regarding a Council meeting that everyone respond and indicate whether they are attending or not.

H. COMMITTEE ACTIVITIES

Jess A. Bahs then asked for Committee reports and was advised of the following:

1. Business Entities – Marko Belej. Marko was not present but provided a written report stating that there were no new developments since the September Council meeting.
2. Employee Benefits – Lisa Zimmer. Lisa was present and made an oral report. There is a tentative meeting scheduled for November 20 with the MEBC at the Skyline Club followed by dinner. Lisa also reported that there is some difficulty getting speakers for the event.
3. Estates & Trusts – George Cassar. George was present and made an oral report. George reported that he got no handoff from Doug Stein, the previous chair of the committee, and expressed frustration at not having received an email list of committee members. Fred Hoops reported that there was no good email list when he was chair and that the best solution was to send out meeting notices to all Section members, and post meeting notices on the probate listserv via Josh Ard.
4. Practice and Procedure - Jeffrey Freeman. Jeff was not present and did not submit a report.

5. State and Local – Marla Carew. Marla was present and gave an oral report. Marla has been communicating via email to her list of people. She will be sending dates and trying to drum up additional meeting activity. She also noted that the second annual Michigan State Tax Conference will occur November 5<sup>th</sup> and 6<sup>th</sup>.

6. International Law – Michael Domanski. Mike was present and also gave an oral report. The next event for the International Tax Committee will be jointly sponsored by the committee, the SBM International Law Section and the Detroit Regional Chamber of Commerce, scheduled for December 3 from 3:30 – 5:30 pm at Automation Alley. The speakers are from Toronto law firms. On the morning of December 4, 2008 Mike will be holding a committee meeting as a follow-up.

#### I. OLD BUSINESS.

1. Michigan Tax Conference. The Michigan Tax Conference will be held on November 5<sup>th</sup> and 6<sup>th</sup> at the Rock Financial Showplace. The registration fee is \$700 for both days with half the speakers being Michigan attorneys and the panels consist of lawyers, accountants and MDOT employees.
2. e-Newsletter. John O’Hara was absent and a report was not submitted. Jess Bahs noted that John has committed to continue to get the e-newsletter out monthly.
3. IRS VITA Grant matching grant program and ABA Section of Taxation Public Service Fellowship award program. Jay Kennedy reported that he will get information to Dave Walters to give to grant applicants. The ABA has 2 fellowships for law students nationally for public interest law.
4. National Association of State Bar Tax Section Conference – October 24-25 Ron Charlebois will give a report on this when he returns.
5. Section Chairs Meeting – October 2, 2008 Jess reported on the meeting of all section chairs. The State Bar of Michigan offers support services to all sections. The State Bar warns Sections to be careful to comply with all by-laws. Legislative positions were discussed; the State Bar encourages sections to take positions on pending legislation, even though the State Bar itself cannot take legislative positions (dues for State Bar membership are mandatory whereas dues for section memberships are not). Positions taken by sections need to be posted on the State Bar of Michigan’s website. The mechanics of taking positions on pending legislation and the need to react quickly were discussed. Jess expects that to be effective in this regard, the Council may need to electronically communicate between meetings. Jess will check the by-laws to determine whether and under what circumstances action can be taken via electronic communication without a meeting.
6. Michigan offer-in-compromise legislation This topic was covered in Wayne Roberts’ report.

J. NEW BUSINESS.

1. Consideration of survey and ways to add value for members. Jess Bahs indicated that he was circulating proposed survey content for feedback. Mary Hiniker suggested that preferences be solicited for education regarding times, web seminars vs. live seminars, etc.
2. Adding material to website / committee section on website Jess urges the Council to use the website more. For example, he indicated that it can be used to post new legislation and that Council members should consider other creative uses of the web site as a tool for reaching the Section membership.
3. Law school for legislators – email from Lyons The State and Local Tax Committee will be involved in creating a curriculum for a tax class for new legislators. Paul McCord, Marla Carew, Wayne Roberts, Lynn Gandhi and Jack Van Coevering will work together on this.
4. BTAG – Business Tax Advisory Group – Wayne thinks the Council should be more integrated into this group.
5. HB 6122 – Real Estate Transfer Tax Act – Jess Bahs noted that the meeting had extended beyond the usual two hours and needed to conclude. He noted that there was not sufficient time to discuss development of a policy position on this pending legislation, but felt that it was important enough that the Council should try to develop a position promptly. He therefore exercised the authority granted in the Section Bylaws to appoint a subcommittee to review the draft of this legislation and propose a position for the Section to take, and instructed them to communicate electronically or otherwise as needed to develop a consensus policy. The committee will consist of Paul McCord, Marla Carew, Wayne Roberts, Lynn Gandhi and Jack Van Coevering.

There being no further business, upon motion by Gina Torielli, seconded by Wayne Roberts and unanimously approved, the meeting was adjourned at approximately 11:28 AM

Respectfully submitted,

Warren J. Widmayer  
Secretary