

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

December 8, 2016

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on December 8, 2016, at 9 a.m. at the offices of Seyburn Kahn, 2000 Town Center, Suite 1500, Southfield, Michigan. Alexander Domenicucci, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

Alexander Domenicucci	Carolee Kvorciak Smith	Jackie Cook
James Combs	Sean Cook	Mindi Johnson
Andrew MacLeod	Joshua Wease	Katie Wilbur
Michael Monaghan	Andrea Crumback	William Lentine

COUNCIL MEMBERS ABSENT

Paul McCord	Michael Antovski	
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COMMITTEE CHAIRPERSONS PRESENT

Jon Baloch	Brian Gallagher	Marcy Rosen
Ryan Peruski		

COMMITTEE CHAIRPERSONS ABSENT

Thomas Fabbri	Dan Stanley	
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OTHERS PRESENT

Jano Barney (via phone)	Eric Skinner	
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The Chair called the meeting to order at approximately 9:05 a.m. A quorum attended in person and via phone.

CHAIR'S REPORT

The Chair noted that Business Taxpayer Advisory Group materials were circulated. The Chair also noted that a State Bar committee had been formed to review discovery rules relevant to controversy/litigation. The committee was looking for additional persons to participate.

MINUTES OF PRIOR COUNCIL MEETING

James Combs presented the Council Meeting Minutes of November 2, 2016 and requested changes or corrections. There were minor corrections noted. Upon motion by Carolee Kvorlak Smith, seconded by Sean Cook, the aforementioned Minutes were unanimously approved and adopted.

TREASURER'S REPORT

Jackie Cook covered the Treasurer's report for the fiscal year and noted changes to the budgets for certain of the committees. She also noted that program administrator expenses would be higher, but that was expected. Jackie also noted that the cash on hand number as of 9/30/2016 would reflect funds that are in the account for the L. Hart Wright award.

It was determined that the proposed budget would be amended to reflect the foregoing and will be voted upon on a date subsequent to the current Council meeting.

COUNCIL ACTIVITIES

1. Strategic Planning – James Combs/Katie Wilbur

James Combs noted that an updated Strategic Plan had been circulated and requested comments. James also noted that the finalization of the Strategic Plan was on a timetable and that a vote to approve the plan would be taken at the next Council meeting (January 19th, 2017).

Jackie Cook recommended revising the Strategic Plan to identify the persons responsible for carrying out specific items included in the plan. It was also noted that Council would review implementation at its monthly meetings to monitor progress. Jackie also noted that the ad hoc Strategic Plan committee was able to assist with Strategic Plan matters.

Mike Monaghan provided additional comments. Mike noted that the Strategic Plan should work in the following themes: the utility of the Tax Section as a way to determine which attorneys have relevant expertise; the Tax Section members' ability to provide an outside perspective as to what other firms are doing; the Tax Section's ability to conduct law school outreach and educate and inform law students about practice in the tax field.

There was also discussion of whether the Strategic Plan should be maintained in its current form or redrafted. Council agreed that the current form should be kept, with specific items to be fleshed out with more detail. The ad hoc Strategic Plan committee will revise the plan accordingly before the vote to finalize in January 2017.

2. Social Media / Communications – Katie Wilbur

Katie Wilbur was present and discussed Social Media matters. Katie requested that Council and Committee chairs provide photos and content for social media. There was discussion of using social media to communicate information to the Section Members on Council activities as well as to note upcoming events.

3. Michigan Tax Lawyer – Katie Wilbur/Andrew MacLeod

Andrew MacLeod was present and reported on the Michigan Tax Lawyer with Katie Wilbur. Katie and Andrew are editing articles that have been submitted for the next issue and expect to provide comments to the authors in the next week. The articles will then be submitted to the publisher by the end of the month.

The Chair noted that the next issue should include a “save the date” reminder for the Annual Tax Conference, a roster, Michael Antovski’s report from October’s annual dinner, and information on and a photo of the recipient of L. Hart Wright award. These materials will be included.

Andrew reminded committee chairs that the next issue will have a March deadline. The Federal Income Tax Committee and the State and Local Tax Committee are responsible for locating authors for this issue. The next issue may also include the Strategic Plan.

4. Michigan Bar Journal Liaison / Tax Court Lunch – Sean Cook

Sean Cook was present and reported on the Tax Court luncheon. Sean has contacted the clerk for Judge Buch, who will be in Michigan in March. Eric Skinner noted that there will be back-to-back calendars (regular calendar and then an S calendar), so this should provide an opportunity to schedule a luncheon.

Sean also reported that the Tax Section will have space for a brief report in the Michigan Bar Journal. Sean expects to include information on the recent Estates and Trusts Committee meeting and on the Tax Section’s need for authors of articles for the Michigan Tax Lawyer.

5. Annual Tax Conference – William Lentine (2017); Andrea Crumback (2018)

Bill Lentine was present and reported on the 2017 Annual Tax Conference. Bill had a call with Jeff Kirkey and they have: solidified the speaker schedule (with a few speakers that remain to-be-determined; added a core concepts track that will include a morning break-out session on litigation and tax controversy and an afternoon break-out session on transaction tax matters; and a panel of in-house experts at the end of the day. The speakers are expected to include, without limitation, practicing attorneys, current or former government officials, a judge, and a trade group representative.

Bill noted that there currently are 4 sponsors who have committed, some of which are still deciding at which level of sponsorship. Bill further noted that there is a new tiered structure for sponsorships and asked for Council's assistance in obtaining more sponsors. It would be optimal to have any sponsors lined up by ICLE's December 23, 2016 deadline for the mailing materials, but sponsors would be welcomed at any time before the conference. Jackie Cook asked about the Michigan Women's Tax Association as a potential sponsor and Bill will contact them.

Andrea Crumback was present and reported that she will coordinate with Bill for the 2018 Annual Tax Conference. She noted that she plans on taking an active role in the 2017 conference to better prepare for 2018.

6. Federal & State Legislative Update and Public Policy Liaison – Michael Monaghan

Mike Monaghan was present and reported on a variety of topics. These topics included the Trump and Republican Party tax plans, with the potential for the repeal of the estate (but not gift) tax, elimination of the Affordable Care Act and related taxes, limitations on itemized deductions, and changes to the carried interest rules.

Mike also noted a December 1, 2016 hearing on the minority interest discount rules, which is expected to proceed more slowly following the results of the Presidential election. Mike further noted that there are new partnership tax disguised sale rules and that certain captive insurance transactions have been targeted as "transactions of interest." Mike lastly described changes to the GAAP revenue recognition rules that the U.S. Department of Treasury is reviewing for a potential impact on accounting method changes, new LIFO inventory accounting rules, and partnership audit rules.

The Chair proposed sending out highlights on the potential tax changes, either from council or via the committees.

A discussion of the practical impact of new tax rules ensued.

7. Annual Meeting – Paul McCord

Paul McCord was not present and did not submit a written report.

8. ICLE – Jeff Kirkey

Jeff Kirkey was not present and did not submit a written report.

9. Grant Program – Mindi Johnson

Mindi Johnson was present and reported that Paul McCord has been very helpful assisting her with the grant program. Mindi is assembling a schedule of deadlines for the award of grants. Mindi requested guidance on the timing of the awards and who on Council would

be involved. The Chair noted that the awards would again be made at the Annual Tax Conference and that an ad hoc committee would be appointed to assist Mindi in reviewing applications.

10. Pro Bono Project/Community Service Initiative Coordinator – Josh Wease

Josh Wease was present and reported that various tax clinics are meeting next week in Washington, D.C. at an Internal Revenue Service conference.

11. IRS Area Counsel Liaison Report – Eric Skinner / Rob Heitmeyer

Eric Skinner was present and reported that he will send out more info on the Tax Court calendar as information becomes available. Eric noted that the IRS is planning to relocate its office in 2018 so that various IRS functions (counsel, appeals, criminal investigation, etc.) will be located together. Eric expects 2017 to be an active year and noted that the captive insurance notice (reported on by Mike Monaghan above) was the first of this type in 7-8 years. Eric noted the perception that aggressive tax planning has made a comeback, which he believes is attributable to the use in full of deferred tax assets.

Carolee Kvoriak Smith asked about the status of IRS Campaigns. Eric noted transfer pricing and domestic items are in the IRS Campaign pipeline, with an expectation that the first 2-3 will be published in January. Throughout fiscal 2017, additional campaigns will be rolled out.

12. Probate and Estate Planning Section Liaison Report – George Gregory

George Gregory was not present, and did not submit a written report.

13. State Bar of Michigan Liaison Report – Unfilled position

The State Bar of Michigan liaison position is vacant and had not been filled as of the date of the Council meeting.

14. YLS Liaison Report – Ryan Peruski

Ryan Peruski was present and submitted a written report. The Young Lawyer's Section is holding elections for several committees. Once the elections are completed and committees, appointed, Ryan will be able to coordinate with the YLS.

Sean Cook and Ryan discussed placing a notice of the Young Tax Lawyer's Committee January 18, 2017 event with Senator Carl Levin in the SBM Journal. Ryan followed this with his Young Tax Lawyer's Committee report describing this event in greater detail.

15. Program Facilitator Report – Jano Barney

Jano Barney was present and provided a written report. The Chair noted that the report included, without limitation, Jano's request for pictures for the directory and for information on the timing of events.

COMMITTEE ACTIVITIES

Before the discussion of Committee activities, the Chair noted earlier requests to have Committee events put on the Tax Section calendar. The Chair requested this information by December 22, 2016.

1. Employee Benefits – Brian Gallagher

Brian Gallagher was present and submitted a written report. Brian is working with Andrew MacLeod to transition the Committee to SBM Connect. Brian will be conducting outreach to get former Tax Section members to rejoin. Brian is working on a Committee meeting schedule and plans to partner with the ASPPA Benefits Council of Detroit for an event.

Brian also reported that the Employee Benefits break-out session at the Annual Tax Conference will have a nationally known speaker.

2. Estates and Trusts – Thomas Fabbri

Thomas Fabbri was not present, but submitted a written report. Tom's report noted his recent event at the Detroit Athletic Club on November 3, 2016, with speakers on integration of Canada and US tax systems for US people holding Canadian property.

3. Federal Income Tax – Jon Baloch

Jon Baloch was present and submitted a report. John hopes to bring John Gimigliano, of KPMG's Washington D.C. office, into town for an event on February 16, 2017. Jon has identified some other potential speakers as well.

4. Practice and Procedure – Marcy Rosen

Marcy Rosen was present and reported that she is putting together topics for potential events in early to mid-2017. Marcy is open to ideas for events.

5. State and Local Taxation – Dan Stanley

Dan Stanley was not present and did not provide a written report.

6. Young Tax Lawyers – Ryan Peruski

Ryan Peruski's Committee Report was discussed in connection with his YLS Liaison report.

OLD BUSINESS


- MICPA Tax Conference. The Chair reported that Council members handed out materials at the November 3, 2016 MICPA Tax Conference and attracted some interest to the Tax Section. It was noted that Ryan Peruski, Carolee Kvoriak Smith, Dan Stanley, Alex Domenicucci, Jackie Cook and James Combs all participated.
- SBM Connect Committee pages. Andrew MacLeod gave a report on efforts to expand the use of SBM Connect by the Tax Section Committees.
- Policy and Procedures Manual. Carolee Kvoriak Smith noted that she will be updating the Policy and Procedures manual and requested participation by relevant Council members and Committee chairs.

NEW BUSINESS

- No new business was introduced.

There being no additional business, a motion to adjourn was made by Carolee Kvoriak Smith, seconded by Sean Cook. The meeting was adjourned at approximately 10:36 a.m.

Respectfully submitted,



James H. Combs
Secretary