

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

December 7, 2017

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on December 7, 2017, at 3 p.m. at Dykema, 39577 Woodward Ave, Suite 300, Bloomfield Hills, Michigan. Carolee Kvoriak Smith, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

	Carolee Kvoriak Smith	Andrew MacLeod
James Combs	William Lentine	
Joshua Wease	Thomas Fabbri	Michael Monaghan
Ryan Peruski	Brian Gallagher	Mindi Johnson

COUNCIL MEMBERS ABSENT

Sean Cook	Jackie Cook	Andrea Crumback
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COMMITTEE CHAIRPERSONS PRESENT

Eric Gregory	Rebecca Pugliesi	
Nick Monterosso		

COMMITTEE CHAIRPERSONS ABSENT

Jon Baloch	Daniel Stanley	
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OTHERS PRESENT

	Mary Owiesny	
John Arendshorst	Jeff Kirkey	George Gregory

The Chair called the meeting to order at 3:08 p.m.

MINUTES OF PRIOR COUNCIL MEETING

Mr. Lentine presented the Council Meeting Minutes of October 27, 2017. After proposed revisions, Mr. Combs motioned to approve and Mr. Gregory seconded.

TREASURER'S REPORT

Mr. Combs presented the proposed budget for the 2017-2018 fiscal year attached as Attachment A. The trend currently is a decline in revenues from dues. Generally the same

budget as last year with minor adjustments for proposals and to get closer to actual based on historical amounts.

Mr. Monaghan inquired about the annual shortfall trending in the budget and the specific shortfall amount from the prior year. Ms. Smith identified the costs of the annual tax conference, the administrator and the unused funds for committee use. Ms. Smith read the actual revenue and expenses for fiscal 2017. Ms. Smith commented on the perennial question regarding dues and whether dues should be increased. The taxation section dues are low comparatively, however, the shortfall does not appear to warrant an increase in the current year. Expenses for the annual dinner were pushed from 2016 into the 2017 fiscal year, and again from 2017 into the next fiscal year. Administrator expenses also increased.

Mr. Combs discussed Lexis Nexis checks for approximately \$1,200 from 2013. Additionally, rent expense for the Fundamentals program and sponsorships for the annual tax conference appear to be increasing.

Mr. Gregory identified the pro bono and outreach as a unique section benefit. Ms. Smith acknowledged that should the budget continue to run at a deficit, the grant program would need to be reconsidered. Additionally, the Michigan Tax Lawyer should be considered to be an online publication and reduce the hard-print publication costs. Mr. Combs commented that the approximate savings would be around \$12,000.

Ms. Smith commented that Committee Chairs are utilizing their budgets appropriately and commented that Mr. Gallagher's most recent program generated additional revenue. In the aggregate, approximately \$5,000 of revenues were generated from Mr. Gallagher's program and Mr. Combs's Fundamentals of Taxation.

Mr. Monaghan inquired about dues payments and whether membership has declined or increased. Mr. Combs will inquire with the State Bar regarding the list and potential name (consider privacy concerns). Ms. Smith identified the synergy of the request regarding membership numbers with the goals of the strategic plan.

A motion to approve the budget was made by Mr. Monaghan and seconded by Mr. Lentine. The motion was unanimously approved.

COUNCIL ACTIVITIES

1. Strategic Planning – Ryan Peruski

Mr. Peruski is considering dates for hosting the 2018 Fundamentals program. Further his focus was on two items:

(1) Progress made with other State Bar tax sections – Michigan/Ohio contact led Ryan to Ohio State Bar Tax Section President, Rick Friar, have exchanged emails and trying to see what the Ohio State Bar Tax Section is doing, more to report next meeting. Ms. Smith

suggested Mr. Peruski share Chair Letters from the past, which describes what we do at SBM Taxation Section and can share with Ohio. Pam Border is our contact; Ryan will look into CLE for Ohio to see if Ohio members attended our events if they could get credit.

(2) Fundamentals program – the date. October created some issues and some folks have suggested an August program; September is busy already. Unless scheduled in late October, which (aside from a fiscal year issue), may be better. Ms. Smith suggested November because of August vacations. Mr. Peruski offered reasons for October. Ms. Puglisi noted that late August has 9/15 issues, so early to mid would be better than later, but early to mid has issues with vacations. Ms. Smith proposed late October

Ms. Johnson asked regarding demographics for the attendees. August is being considered as an option for the date with the perspective that the audience trended younger professionals. Late October or November is the alternative period.

Ms. Smith recommended review of the strategic plan on a quarterly basis at the next meeting.

2. Public Communications – Brian Gallagher

Ms. Smith mentioned SBM Connect and the difficulty of administering the site. Mr. Marks, at the State Bar, is an administrator who, with Mr. Gallagher and Ms. Smith, will provide materials.

Mr. Gallagher has drafted an acceptable use policy included in the materials. The policy will be voted on at the next meeting.

Communication questions should be directed to Mr. Gallagher or Mr. Andrew Marks at the Bar. Head shots are required for committee chairs and those still needed are: Mr. Blaloch and Mr. Stanley. Facebook requires content from the Section, as does LinkedIn.

An email will be prepared for dissemination to all members – committees are focused on largely CLE and networking; Mr. Gregory commented about trends in other sections focused on public advocacy and time commitment for committees.

3. Michigan Tax Lawyer – Mindi Johnson

Working on the final 2017 publication and close to send it to the printer and anticipate publication prior to the holidays. Committee reports should be provided if not already provided.

The Trusts and Estate volume is next - December 31, 2017, is the date authors should commit for the next publication, while February 1, 2018 is the article deadline.

Remember to provide Committee reports for all publications.

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

Sean Cook was not present and did not submit a report.

Ms. Smith discussed the February 12 tax court calendar. On March 19, with Judge Buch will be presiding. However, he is also coming to the Tax Conference as a speaker in May. Therefore, to avoid redundancy, consider one February 12 luncheon only. With Judge Buch speaking in May, attendance may be limited at a March luncheon. General consensus is that the above makes sense and Council will proceed accordingly.

5. Annual Tax Conference

2018 – Andrea Crumback/Jeff Kirkey:

Ms. Crumback provided an overview of the completed schedule and the efforts to secure sponsors for the event. Requesting a save-the-date in the next publication of the Michigan Tax Lawyer; Mr. MacLeod requested that for inclusion in the publication next week.

2019 – Michael Monaghan:

Mr. Monaghan was present and provided a report that initial efforts are underway to consider location. Ms. Smith discussed location concerns and efforts to relocate. Costs have been a concern on the location and Mr. Kirkey should be conferred on location proposals, costs and setup. Mr. Combs inquired about raising costs for attendance by \$5 to raise revenues.

6. Federal & State Legislative Update and Public Policy Liaison – Andrew MacLeod

Mr. MacLeod reported on the proposed new tax act (i.e. tax reform). There is a carried interest provision that would apply to real estate and PE opportunities. He reviewed New Partnership Audit Regulations administrative rules were provided for in the end of November as guidance – international context in proposed form.

7. Annual Meeting – Sean Cook

Mr. Cook was not present and did not submit a report.

8. ICLE – Jeff Kirkey

Mr. Gallagher discussed his successful participation and encouraged others to participate in the After Hours series. Mr. Kirkey mentioned that they are in good shape and calendared out for 2018.

9. Grant Program – Thomas Fabbri

Mr. Stanley was present and mentioned that early Q1 of 2018 the process will be underway.

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

Mr. Wease was not present and did not provide a report.

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

Mr. Heitmeyer and Mr. Skinner were not present and did not provide a report.

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

Mr. Gregory was present and submitted a written report.

13. State Bar of Michigan Liaison Report – Shenique Moss

Ms. Moss was not present and did not provide a report.

14. Program Facilitator Report – Mary Owiesny

Ms. Owiesny was instrumental in several events. She was not present and did not provide a report.

COMMITTEE ACTIVITIES

1. Federal Income Tax – Jon Baloch

Mr. Baloch was not present and did not provide a report. A Section 280E program discussed by Mr. Combs and Ms. Smith proposed a tax reform program.

2. Employee Benefits – Eric Gregory

Mr. Gregory indicated that the program held November 9 at lunch at the MSU Troy Center was well received. January 25th has an additional event and trying to plan events in GR and Lansing.

3. Estates and Trusts – Nick Monterosso

Mr. Monterosso was present and identified the Vice Chair – Ms. Kim. She is in GR.

Two events to be scheduled in February and spring or summer. Charitable giving is anticipated to be the first program. University Florida speaker basics on trust income taxation. Considered Saturday programs for convenience and professional availability.

4. State and Local Taxation – Daniel Stanley

Mr. Stanley was not present and did not provide a report.

5. Young Tax Lawyers – Rebecca Pugliesi

Ms. Pugliesi reported that the last event - scheduled November 15 at the Brewery Inn in Royal Oak – was a positive turnout.

New event co-hosting with Oakland County M&A tax considerations. Additional details are available on ICLE events.

OLD BUSINESS

Old business discussed, in part as identified above, included the following items:

- HB 4976 – Informal Conference Process – sitting in the Michigan Senate and reported out of the senate finance committee and not voted on it.
- SB 540 – Ms. Smith requested on the formation of a committee.
- Optional community property statute. Mr. Gregory provided a summary of the statute and sponsor but the information has been provided to Nick Monterosso.
- New Fiscal Year Housekeeping

The organizational chart has been updated.

Roster includes the vice-chairs. Ms. Smith mentioned this is a living document and is subject to change. The calendar is available on paper chart for reference for completed events and upcoming events.

A list was also circulated for co-hosting events. This list is available on the state bar website with chairs for the other sections. Ms. Smith identified sections that have already inquired about partnering for events.

Mr. Combs, on behalf of Ms. Cook, thanked the team for the efforts for the P&P edits/revisions.

NEW BUSINESS

Ms. Smith discussed the recent appointments for Vice Chairs events and made introductions. Ms. Smith mentioned that while these Vice Chairs are not obligated to attend, but are welcome and encouraged to assist in planning events. Ms. Smith proposed a meet the vice-chairs event.

Ms. Smith gave an overview of the bylaws. She also mentioned as an administrative requirement, contracts are required to be reviewed by Cliff Flood. Furthermore, she drew

attention to the specifics of Article 8 discusses reports to the state bar of both activities and advocacy issues.

There being no additional business, a motion to adjourn was made by Mr. Monaghan, seconded by Mr. Gallagher. The meeting was adjourned at approximately 5:19 p.m.

Respectfully submitted,


William Lentine
Secretary