

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

December 13, 2018

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on December 13, 2018, at 3 p.m. at the Detroit office of Honigman. Ms. Jackie Cook, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

James Combs	Jackie Cook	Andrew MacLeod
Andrea Crumback	Carolee Smith	Ryan Peruski
Mindi Johnson	Sean Cook	Tom Fabbri
Michael Monaghan	Joshua Wease	William Lentine

COUNCIL MEMBERS ABSENT

Brian Gallagher	Jon Baloch	
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COMMITTEE CHAIRPERSONS PRESENT

Eric Gregory	Nick Papasifakis	Erick Hosner
Daniel Stanley	John Arendshort (Vice Chair)	
Kathleen Cieslik (Vice Chair)		

COMMITTEE CHAIRPERSONS ABSENT

Paul Howarah (Vice Chair)	Rebecca Pugliesi	Mary Hennessey (Vice Chair)
Joshua Lowenthal (Vice Chair)		

OTHERS PRESENT

Jeff Kirkey	Mary Owieny	Max Matthies
Neal Nusholtz		

Jackie Cook called the meeting to order at 3:08 p.m. A quorum was determined to be present.

Ms. Cook referred to the proposed Minutes of Regular Meeting dated October 11, 2018 and after review and discussion thereof, including the correction of minor typographical errors, it was proposed (after noting that quorum is present), that the minutes, as corrected, be

approved with Mr. James Combs making the motion and Mr. Ryan Peruski seconded the motion, the minutes were then approved and adopted. '

TREASURER'S REPORT

Mr. Lentine noted that he met with State Bar's director of finance and is waiting on the September numbers from the finance director and also noted that October and November financial statements are not yet complete, but will be completed as the financial information becomes available. Mr. Lentine generally reviewed the Tax Section's income and expenses, and issued a friendly reminder to submit expenses on a timely basis so that they can be submitted to the State Bar within 45 days of incurrence. A brief discussion was also held regarding the cost savings associated with the Michigan Tax Lawyer being published in electronic format and that doing so will save the Tax Section approximately \$12,000 per year in printing expenses.

COUNCIL ACTIVITIES

1. Strategic Planning – Ryan Peruski

Mr. Peruski discussed the October 2018 Fundamentals of Taxation Program and that program was a success, went smoothly, and he appreciated all of the efforts of those involved with the program. Jeff Kirkey of ICLE noted that the program had 52 registered attendees, revenue of \$2,600, expenses of \$1,500 and generated a profit of \$1,100. A discussion was then held regarding a proposed law school student outreach event to provide networking tips for law students and Mr. Peruski noted that he is aiming for an April date for the event. The event is to be held at the DAC.

2. Public Communications – Tom Fabbri

Mr. Fabbri urged everyone to provide updates on their committee events so that he can list them on the website, and also to provide the materials relating to those events so the materials can be uploaded to SBMConnect. Jackie Cook discussed updating the Tax Section's website and noted that it is now pretty current and encouraged everyone to provide feedback on improving the Tax Section's website.

3. Michigan Tax Lawyer – Mindi Johnson

Ms. Johnson noted that she is finalizing the articles for the Winter 2019 edition of the Michigan Tax Lawyer and that she anticipates publication of the next issue in January of 2019. After this next issue, Ms. Johnson noted that she will be pursuing options for publishing the Michigan Tax Lawyer in electronic format for future issues. Finally, Ms. Johnson noted she is considering the creation of an index of the articles published in the Michigan Tax Lawyer so that the Michigan Tax Lawyer is searchable. In connection with the publication of the electronic version of the Michigan Tax Lawyer, Ms. Jackie Cook discussed options for obtaining print copies of future issues.

4. Annual Tax Dinner / Tax Court Lunch – Jon Baloch

Mr. Baloch was not present at the meeting and did not provide a report. Ms. Jackie Cook mentioned that Judge Buch will be in town in February so more to come on the Tax Court Luncheon.

5. Annual Tax Conference

Mr. Monaghan noted the 2019 Annual Tax Conference is in good shape with the program's content generally lined up. Mr. Monaghan stated that he is hoping to have the newly appointed State of Michigan Treasurer speak at the conference, but has a back-up plan if this does not work. Mr. Monaghan also discussed sponsorships and noted that the program currently has 3 sponsors, and briefly discussed reaching out to Chemical Bank as a potential sponsor. A brief discussion was held on making sponsorships more valuable to sponsors and on strategies for attracting sponsors (such as offering speaking opportunities).

Brian G. was not present, but it was reported that he has been assisting on the 2019 program and has yet not begun planning in earnest for 2020 program.

6. Federal & State Legislative Update and Public Policy Liaison – Sean Cook

Mr. Cook referenced his handout and proposed format for preparing an update of legislative and regulatory tax developments for Tax Section members, and discussed the anticipated format for the tax update, including "Hot Issues", "Proposed Tax Legislation" (MI and Fed), "Notice of Proposed Rulemaking", and "Notice – TCJA". Mr. Cook noted that he would appreciate any comments / suggestions on format / substantive content for the tax update. Ms. Jackie Cook also briefly discussed Michigan HB 4412 and the potential reform of the Michigan Tax Tribunal and that HB 4412 appears to be moving forward.

7. ICLE – Max Matthies

Mr. Matthies noted that ICLE is working on the Tax Law Series for the upcoming year, including a program on the Wayfair decision, as well as an M&A Tax related program and one relating to the Federal Estate Tax. Mr. Matthies noted that he is looking for a moderator for the M&A program.

8. Grant Program – Andrea Crumback

Ms. Crumback noted that she is planning for the Tax Section's grants for the upcoming fiscal year, and that a committee for determining the grant recipients will need to be organized in January. Ms. Crumback solicited input regarding new organizations we may want to consider for the grants and that she will be sending out letters to potential grant recipients in February.

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

Mr. Wease reported that the poverty exemption / disabled veteran program hotline should be up and running on January 15th, and that this will be promoted through various organizations and he is also working on training materials for this program. Mr. Wease also noted that he consulted with the Michigan Tax Tribunal on cases that are falling through the cracks and noted that a lot of opportunities for pro-bono activities in this area. Mr. Wease also noted that he is currently engaged in site selection for the alternative spring break program, which is making tax-related presentations in various rural communities in Michigan.

10. Student Outreach – Ryan Peruski and Joshua Wease

Mr. Wease discussed the proposed April networking event for students and the related happy hour. Mr. Wease offered to provide contacts to Mr. Peruski at the various law schools to assist with marketing the program.

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

Messrs. Skinner and Heitmeyer were not present and did not provide a report, but informally communicate a “hello”.

12. Probate and Estate Planning Section Liaison Report – Neal Nusholtz

Mr. Nusholtz noted that he provided two written reports as part of the meeting packages summarizing various recent initiatives of the Probate Section and also noted that the Probate Section is working on an optional community property statute, a statute to permit electronic wills, and a statute for Divided and Directed Trusteeships to allow a trust to allocate duties and responsibilities for a particular subject matter to a particular trustee. In connection with the optional community property statute, Mr. Nusholtz noted that the advantage of this proposed statute is that it would allow a surviving spouse to get a full basis step up in property owned in a community property trust.

13. State Bar of Michigan Liaison Report – Thomas Howlett

Not present and no report was provided.

14. Program Facilitator Report – Mary Owiesny

Ms. Owiesny is working to update the minutes for the Tax Section's website.

COMMITTEE ACTIVITIES

1. Employee Benefits – Eric Gregory

Mr. Gregory was present and reported that a joint event with the Estates and Trusts Committee and that 20 people attended the event at VinoTecca on November 7, 2018. Mr. Gregory noted that the event went well and that he is working on a new event and considering involving a non-attorney to make presentation.

2. Estates and Trusts – Nick Papsifakis

Mr. Papsifakis reiterated Mr. Gregory's comments regarding the success of the November 7th event at VinoTecca and noted that he is planning an event for February at a Detroit location with the topic to be trust decanting. In addition, Kathleen Cieslik was welcomed as the new Vice-Chair for the Estates and Trusts Committee.

3. Federal Income Tax – Erick Hosner

Mr. Hosner reported an event is upcoming in February and the topic will relate to recapping recent regulatory guidance on the new tax act and a survey of upcoming issues relating to the upcoming tax filing season. Mr. Hosner also noted that he is working on a schedule for the Federal Income Tax Committee for the upcoming year.

4. State and Local Taxation – Daniel Stanley

Mr. Stanley was present. Mr. Stanley discussed that last week the State and Local Tax committee hosted a luncheon with Judge Marmon of the Michigan Tax Tribunal speaking at the event. Mr. Stanley also briefly discussed Michigan HB 4412 on reforming the Michigan Tax Tribunal. Finally, Mr. Stanley mentioned that he is hoping to schedule a "Meet the Treasurer" event in February.

5. Young Tax Lawyers – Rebecca Pugliesi

Ms. Pugliesi was not present, but provided a report that the Young Tax Lawyers hosted a happy hour event in connection with the Fundamentals of Taxation Program and is working on another event for the January / February timeframe.

OLD BUSINESS

Section Orientation – October 16, 2018. Ms. Cook thanked James Combs for conducting the Tax Section orientation event.

MICPA Michigan Tax Conference – November 7, 2018. - Ms. Cook noted that the Tax Section had a table at the conference and thanked Erick Hosner and Dan Stanley for assisting / staffing the Tax Section's table at the conference.

E-Newsletter: Ms. Cook noted the publication of the first E-Newsletter and welcomed ideas / input for the next edition of it which is anticipated to be sent out in January.

Student Writing Contest: Mr. Combs made a presentation on the Tax Section's new Student Writing Contest and referenced the handout he prepared regarding the writing contest and the timeline for it. Mr. Wease provided some feedback to Mr. Combs on the timeline. In addition, Mr. Combs noted the proposal to give awards / scholarships to the winners of the writing contest and also mentioned that committee chairs will be responsible for reviewing the articles relevant to their committee's practice area and will also be responsible for suggesting writing topics.

NEW BUSINESS

Honigman v. Detroit Amicus Opportunity. At this time, James Combs, Ryan Peruski and Dan Stanley were excused from the meeting. Ms. Cook referred to the Tax Section's Amicus Policy on the SBM website and suggested everyone refer to it. Ms. Cook noted that the Michigan Supreme Court has requested the Tax Section consider the submission of an amicus brief regarding the case, and Ms. Cook proceeded to describe the basic facts regarding the case. Following the description of the case there was a general discussion regarding the submission of an amicus brief. In connection therewith, it was decided that a sub-committee be formed to consider whether an amicus brief is warranted in this circumstance with the sub-committee to report to the Tax Council at its next meeting.

Fundamental of Taxation Program 2019 – Ms. Cook mentioned that we will have a meeting in January and will discuss updates for this program.

Michigan Bar Journal – Tax Issue November 2020 (Neal Nusholtz) – It was discussed that the Tax Section needs to begin planning for the submission of tax-related ideas and articles for the November 2020 issue of the Michigan Bar Journal, with the articles anticipated to be due in August 2020.

Welcome Robert, Ruby and Claire. A brief discussion was held regarding the arrival of welcome new additions to the Peruski, Fabbri and Pugliesi families and that the Tax Council will be sending a small gift to each family.

There being no other business Ms. Jackie Cook requested a motion to adjourn the meeting with such motion being made by Sean Cook and seconded by Carolee Smith, and such motion was approved.

The meeting was adjourned at approximately 5:01 p.m.

Respectfully submitted,



Andrew MacLeod
Secretary