

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

March 12, 2020

A regular meeting of the Council of the State Bar of Michigan Taxation Section was held on March 12, 2020, at 9:07 a.m. The meeting was held by telephonically. Mr. James Combs, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

James Combs	Rebecca Pugliesi	Allison Stelter
Bill Lentine	Joshua Wease	
Andrew MacLeod	Eric Gregory	
Michael Monaghan	Ryan Peruski	
Mindi Johnson	Brian Gallagher	

COUNCIL MEMBERS ABSENT

Stephanie LaFave	Erick Hosner	
Jackie Cook	Sean Cook	

COMMITTEE CHAIRPERSONS PRESENT

Allison Stelter		
Josh Lowenthal		
Lena Gionnette		

COMMITTEE CHAIRPERSONS ABSENT

Andrea Crumback		
Nick Papisifakis		

OTHERS PRESENT

Kathleen Cieslek	Buzz Leach	Max Mathies
Adrean Taylor	Neal Nusholtz	
Negah McKeivitt	Rob Heitmeyer	

Mr. Combs called the meeting to order at 9:04 a.m. A quorum was determined to be present.

Mr. Combs indicated that the Taxation Section needed a new Council member to replace Stefanie LaFave. Mr. Combs further explained that he had explored different options, including a few from Industry, but was recommending that Allison Stelter to serve in the role. Mr. Combs further indicated that the by-laws allow Council to vote to fill the role. If approved, she would serve for the remainder of the term until the annual Meeting, at which point there would be a vote to fill the term until 2020. Mr. Combs nominated Ms. Stelter to serve in this role. After noting that a quorum was present, Mr. Gallagher made a motion to approve Allison Stelter which was seconded by MacLeod. The motion passed unanimously with James Combs and Ryan Peruski abstaining.

Mr. Combs then discussed the fact that the March meeting was transferred to a telephonic meeting. He explained that this occurred since the Corona virus had resulted in limitations upon having events, such as the March meeting, on the premises at Honigman. Mr. Combs further indicated that we should refrain from holding other Taxation Section events that include any gatherings of people in the near term. He indicated that the Officers would be monitoring future events. Mr. Combs also indicated that ICLE might be available to facilitate video events that are on demand. Mr. Combs further indicated that it was too early to determine what to do for the Annual Tax Conference in May. As of now, a few speakers remain willing to travel to the Conference from Colorado, but this could change. Mr. Monaghan indicated that we might want to follow up regarding our marketing plan for the Conference and ask that any brochures and e-blasts be stopped in light of recent events. Mr. Gallagher indicated that this would be considered. Mr. Mathies also indicated that he would connect with ICLE regarding the matter.

Mr. Combs referred to the proposed Minutes of the Regular Meeting dated January 16, 2020, and after review and discussion thereof, it was proposed (after noting that a quorum is present), that the minutes be approved with Mr. Lentine making the motion and Mr. MacLeod seconding the motion. The minutes were then approved and adopted after making no changes.

TREASURER'S REPORT

Mr. MacLeod provided a financial report, which included activity through January 31, 2019. He indicated that deposits had been made for Fundamentals, but that there otherwise were not a lot of changes since his last report. He indicated that the Taxation Section remains in a strong cash position. He indicated that he would normally encourage committees to spend their budgets but stated that this may be difficult given the current Corona situation.

COUNCIL ACTIVITIES

1. Fundamentals Program 2020 - Eric Gregory

Mr. Gregory indicated that he was continuing with plans related to the 2020 Fundamentals Event. He had explored Wayne State University Law School as an option to host the event but learned that it was unavailable due to renovations that were planned. Mr. Gregory indicated that he had explored other facilities, and the cost tended to run approximately \$12,000 to \$16,000. Mr. Gregory indicated that Dickinson Wright would be willing to provide a conference room in its Detroit office, but that the audience would be limited to about 70 people. Ms. Pugliesi indicated that this seemed to be the number of people that attended last year. Mr. Peruski indicated that other locations might be available if we reduced the number of tracks offered. Mr. Combs was hesitant to spend substantial costs for facilities. The group concluded that Dickinson Wright would likely be the best location, but Mr. Gregory agreed to check with the University of Detroit Mercy School of Law.

2. Public Communications – Allison Stelter

Mr. Combs indicated that Ms. Stelter will be addressing Public Communications as the Taxation Section's new Council member. She would likely have a report in the future. Mr. Combs asked that pictures be posted regarding the Taxation Section's various events.

3. Michigan Tax Lawyer – Erick Hosner

Erick Hosner was not present but provided a brief report regarding the *Michigan Tax Lawyer*. The report indicated that he had received one article and is expecting two more in the next week or so. The next publication can likely be released in mid-April. He asked for articles.

4. Tax Court Luncheons and Annual Dinner– Allison Stelter

Mr. Combs indicated that we will not be planning an event given the current prohibition on holding events. Planning would start soon for the annual dinner.

5. Annual Tax Conference –Brian Gallagher and Rebecca Pugliesi

Mr. Gallagher provided a report related to the 2020 Tax Conference. He indicated that we were monitoring what to do with the Corona virus. He also indicated that registrations were lagging prior years by approximately 30 registrations, but that last year might have been a high point. Mr. Monaghan indicated that we might need to consider our approach for last minute registrations given the uncertainty and administrative issues posed by the Corona virus. Mr. Gallagher further indicated that the Taxation Section needs to prepare for a Conference where registrations are low.

Ms. Pugliesi noted that there was nothing new to report related to the 2021 Tax Conference.

6. Legislative Update and Public Policy Liaison – Sean Cook

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

7. ICLE Tax Law Series - Max Mathies

Mr. Mathies reported that he was trying to prepare for next year's Tax Law Series. He also indicated that he was currently planning to release a survey and asked whether the questions should remain the same as the prior year. It was generally agreed that it was not necessary to make any changes.

8. Grant Program – Mindi Johnson

Ms. Johnson was present at the meeting. Ms. Johnson indicated that she has sent out materials for organizations to request dates and provided a response date of April 3. She indicated optimism that we will have a good turnout in terms of the number of submissions. She also advised that in the past two council members had been designated to help review grants and make recommendations to Council. Mr. Combs asked if anyone wanted to volunteer. Ms. Stelter and Ms. Pugliesi volunteered. Ms. Johnson indicated that she would be in touch with Ms. Stelter and Ms. Pugliesi soon. Mr. Combs reminded the group that we would likely increase amounts budgeted to the grant program given Council's excess cash position.

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

Mr. Wease indicated that the State Bar has several very active attorneys involved with pro bono initiatives. These attorneys take on a heavy case load. However, the group needs to be broadened. A course is being designed to teach attorneys how to handle the typical types of cases that normally arise in the tax area.

Mr. Peruski indicated that the Taxation Section had been trying to plan an event with Wayne State, but has not received much interest. He is now working with a professor to plan the event. However, given the Corona virus, we likely will not be able to hold an event at a law school during this semester. Ms. Stelter suggested that the Taxation Section consider holding an event for undergraduate students who are likely to pursue law degrees.

10. Membership Outreach – Ryan Peruski

Mr. Peruski briefly described the Writing Challenge. He indicated that the questions had been distributed to every law school in the State of Michigan. Mr. Wease has been helpful in expanding the number of tax professors who had received the brochure. Mr. Wease also helped develop some literature that professors could use to promote the contest with their students. The contest runs through April 30.

Mr. Peruski also proposed an initiative related to the Corona Virus. He requested that the budget for the Writing Challenge be increased by \$250. This amount would be awarded to the professor who has the most participants in the writing challenge. The \$250 would be awarded to the professor's charity of choice. Ms. Pugliesi made a motion to approve which was seconded by Mr. Lentine. The motion passed unanimously with Mr. Wease abstaining.

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

Mr. Heitmeyer indicated that the Tax Court cancelled its calendar in Detroit. He commented that the Tax Resolution Day seemed to be successful, and that the Tax Section participated in these events. He also indicated that an event was being planned in Flint.

Mr. Heitmeyer also indicated that like other businesses, the IRS is refraining from out of state travel due to the Corona virus. Staff at the IRS have also been invited to telecommute for the next few weeks.

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

Mr. Nusholtz indicated that there are two issues being considered by the Probate Section. The first is a draft statute (Drafter Beneficiary Statute) that indicates that you can't draft an estate planning document that benefits yourself. There was some discussion whether this should be extended to other documents, but this was rejected. Mr. Nusholtz also explained that JP Morgan Chase did not accept a Certificate of Trust in place of the trust. The plaintiff won and received an award for legal fees.

COMMITTEE ACTIVITIES

13. Employee Benefits – Lena Gionnette

Ms. Gionnette indicated that the Committee held an event on February 5 on fiduciary compliance at Anna's House in Farmington Hills. Another event is being planned for mid-April on ERISA cases before the Supreme Court. This might be converted to a webinar.

14. Estates and Trusts – Nick Papasifakis

Mr. Papasifakis was not present and did not provide a report. Ms. Cieslek indicated that there was nothing new to report. An event on the Secure Act was planned for April but would be postponed.

15. Federal Income Tax – Allison Stelter

Ms. Stelter indicated that there was an event on January 30 at noon at Honigman's Detroit office. The speaker was Hubert Raglan from KPMG. A second event occurred on February 27 at the Jolly Pumpkin in Royal Oak. The event did not attract large numbers but was a nice event. Another event is planned for April 28 with a speaker from Deloitte regarding doing business with REITS. The event would be held at Howard & Howard but may be postponed. There also is talk of a joint happy hour with YLS.

16. State and Local Taxation – Andrea Crumback

Ms. McKeivitt indicated that the SALT Committee did not have any new information to report.

17. Young Tax Lawyers – Josh Lowenthal

Mr. Lowenthal noted that the YLS is attempting to hold a joint event with the FIT committee in the early spring. It also is trying to hold an even in the summer or early fall with the Emerging Leaders group.

OLD BUSINESS

Content for Tax in the Great Lakes State

Mr. Combs noted that the next publication of the e-newsletter, "Tax in the Great Lakes State" should be released shortly.

Tax Resolution Project

Mr. Combs indicated that the Taxation Section has been very involved with this initiative. The Taxation Section was quoted on WJR as being a part of the initiative. It was further indicated that this is the first session of its kind across the country.

Federal Tax Comment Project

Mr. Combs noted that he had received some suggestions regarding various issues where we could issue comments. Mr. Combs indicated that he really was looking for a substantive topic, and that he had received a topic he would like to explore from Allison 861(m). Ms. Stelter noted that for REITS there are a few tests based on income and assets that must be satisfied in order to qualify for tax favored treatment. REITS need to run the tests frequently, but that there are some inconsistencies. The comment would ask that Treasury issue a Revenue ruling to provide further guidance on the issue. Ms. Stelter thought that a comment project in this area could help demonstrate that the Taxation Section could handle commenting on complex issues. Mr. Combs indicated that a summary would be sent out that describes the statutes at issue and what the proposed approach might be. The Taxation Section also might be able to draft a proposed Revenue Ruling. Mr. Combs asked for volunteers to assist Ms. Stelter and Mr. Combs with this initiative.

NEW BUSINESS

No New business was noted.

There being no other business, Mr. Combs requested a motion to adjourn the meeting with such motion being made by Mr. Gallagher and seconded by Mr. Peruski, and such motion was approved unanimously.

The meeting was adjourned at approximately 10:37 a.m.

Respectfully submitted,

DocuSigned by:

Michael P. Monaghan

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Michael P. Monaghan

Secretary