

**COUNCIL OF TAXATION SECTION  
MINUTES OF REGULAR MEETING  
OCTOBER 6, 2005**

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on October 6, 2005 at 9:00 AM. The meeting was held at the Sheraton Hotel in Novi, Michigan. Charles M. Lax, Chairperson of the Taxation Section, presided:

**COUNCIL MEMBERS PRESENT**

Eric Nemeth	Joan R. Dindoffer
Charles M. Lax	Marjorie Gell
Aaron H. Sherbin	Paul R. Jackson
Jay A. Kennedy	Alvin L. Storrs
Jess A. Bahs	Gina M. Torielli
Ronald T. Charlebois	Warren Widmayer
Jeffrey A. DeVree	

**COMMITTEE CHAIRPERSONS PRESENT**

John O'Hara, Business Entities  
David Walters, Employee Benefits  
Wayne D. Roberts, State & Local

**COUNCIL MEMBERS ABSENT**

Gregory DiCenso, Membership Outreach

**COMMITTEE CHAIRPERSONS ABSENT**

Frederick H. Hoops III, Estates and Trusts  
Joseph Pia, Practice and Procedure

**OTHERS PRESENT**

Deb Michaelian, Program Facilitator  
Christina DeSalva (ICLE)  
Mary Hiniker (ICLE)

The meeting was called to order at 9:00 AM by Council Chairperson, Charles Lax. During Chuck's opening remarks, he indicated the following goals for the upcoming year:

1. strengthen the Committees;
2. create more members through the Committees and increase attendance for the Committees;
3. enhance membership and outreach; and
4. increase visibility of the Tax Section.

A. MINUTES.

The Minutes of the last meeting of the Council had been previously distributed. Jess Bahs did not attend the last meeting and therefore should be moved from "Council Members Present", to "Council Members Absent." There being no further comments, on motion duly made by Warren Widmayer, and seconded by Gina Torielli, to accept the Minutes with these changes, the motion was unanimously carried.

B. TREASURER'S REPORT.

Aaron Sherbin submitted a report for the period ending August 31. Revenues were up slightly due to the Tax Conference (although its expenses exceeded its revenues thus far). Expenses were down slightly since the cost of one of the editions of The Tax Lawyer had not been incurred yet during the period. Aaron thought the year would finish close to within budget. A motion to approve the Treasurer's report was made by Gina M. Torielli, seconded by Paul Jackson, and was unanimously approved.

C. COUNCIL ACTIVITIES.

Chuck Lax asked for reports and was advised of the following:

1. After Hours Tax Law Series – Mary Hiniker. The estate and trust oriented program regarding Asset Protection Planning scheduled for October will be well attended. In November, a Vanderbilt professor will speak regarding non-profit tax issues.

2. 2006 Tax Conference – Gina Torielli. Gina indicated the Tax Conference is scheduled for May 11, 2006. The Probate, Trust and Estate Planning conference will be held on May 18, 2006. A block of rooms will be reserved for overnight guests now that St. John's Golf and Conference Center has completed its hotel building. Gina met with Jess Bahs, Warren Widmayer, and Deb Michaelian regarding planned changes based on experiences from the prior year. Golf will be offered but there will be no economic commitment. Gina indicated the Section will be able to use a larger ballroom at St. John's. Gina plans to again have each Committee provide updates for 30 minutes each. Gina asked about topics and ideas for main speakers; she is particularly interested in feedback from Council Members regarding potential speakers.

The cost for sponsorship was also discussed. No one objected to increasing the fees for sponsors from \$3500 to \$5000 for each sponsor since the prior Conference was more well-attended than expected.

There was a short discussion as to whether or not Stout Risius Ross should be a sponsor again since some members were concerned that the Tax Section may be showing too much favoritism to Stout Risius Ross. It was decided that they would again be allowed the opportunity sponsor since they have been supportive in the past.

There was also a discussion as to whether RIA and BNA could be enticed as sponsors. Those Council Members previously involved with prior Tax Conferences indicated they had attempted to do so without success. It was mentioned that RIA

should perhaps be allowed a breakout session to demonstrate their RIA research platforms.

Some concern was expressed regarding selecting any one accounting firm to act as a sponsor, since tax attorneys provide competing services. Paul Jackson suggested approaching a large insurance broker as a potential sponsor.

Gina Torielli recommended increasing the attendance fee to around approximately \$150 for section members, which would be increased for non members. Wayne Roberts indicated that accountants attend four-hour sessions for approximately \$200 per session. Chuck Lax indicated a preference for keeping the fee reasonable for the young lawyers.

3. 2007 Tax Conference - Warren Widmayer. Warren indicated he is having discussions with Gina as part of his preparations.

4. Tax Court Luncheon - Paul R. Jackson. Paul is coordinating future luncheon dates and will report more at a later date.

5. Directory - Joan R. Dindoffer. Joan reported the directory is on hold until January when the new member list will be available from the State Bar of Michigan. The prior directory was sent to approximately 500 people on the list. Notice was placed on the website that the directory could be requested. A few hard copies of the directory were provided upon request.

6. Michigan Bar Journal Liaison - Paul R Jackson. Paul is checking on the timeframe that would apply for the next Bar Journal. He requested the Committee chairs solicit potential articles from quality people. For the last Bar Journal, there were more articles than what could be published and some articles were ultimately published instead in the Michigan Tax Lawyer. The word limit for an article is 7500 words. Ron Charlebois indicated he thought the deadline was approximately 2-1/2 months in advance.

7. Michigan Tax Lawyer - Marjorie B. Gell. Marjorie is organizing the January edition. Members are to contact her if they know of someone interested in submitting an article. Joan Dindoffer indicated that U of D was to submit an article by December for use. For the next edition, the Employee Benefits committee is responsible for submitting articles. Marjorie indicated she intended to review, revise, and expand the author release section since someone submitting a prior article had lifted portions from RIA materials. Marjorie thought the fall issue was on schedule for publication and that the prior editor, Tom Kenny, was almost done with the fall issue.

8. Internet - Ronald T. Charlebois. Ron investigated the use of a password protected portion on the website. No other sections have used this. There would need to be one user name and password for everyone; however, this could be changed frequently and the Tax Section could add more than one page with a different user name and password. Jeff DeVree expressed concern with placing the directory on an open portion of the website since companies engaging in sending spam may collect the email addresses from the website. Joan Dindoffer indicated the current directory does not have emails because the State Bar of Michigan recommended against it. Chuck

Lax indicated he would like to see Michigan Tax Lawyer editions placed on the website; new editions would be placed in the password protected section. Marjorie Gell suggested publishing the table of contents for each Tax Lawyer edition in the portion of the website that would be open to the public, and then placing the actual articles in the password protected portion. If the directory is made available, Joan Dindoffer indicated the IRS portion could be visible since the IRS phone numbers were available from the IRS website. Ron mentioned having a classified section for a portion of the website so that firms could advertise job openings, etc. The members thought this was a good idea. Ron indicated there are approximately 370 people on the current listserv, and he indicated we do not have what is known as an "announcement" listserv. Deb Michaelian has a list of 1500 section members with their email addresses from the State Bar of Michigan. 100 of those email addresses are no longer of use. There was a discussion that it may be easier to maintain an "announcement" listserv that would be updated annually by the State Bar of Michigan rather than requiring the coordinator to send email after hours and deal with potential email problems. There were also questions asked as to whether the use of an announcement listserv would avoid email being kicked back as spam. The cost for the announcement listserv is initially \$50 and then \$10 per month thereafter. A question was asked regarding the status of posting the Tax Conference materials on the website. Ron Charlebois indicated the responsible representative of the State Bar of Michigan was still working on posting the materials to a password protected section. Ron was charged with investigating the announcement listserv further.

9. Federal and State Legislation - Jeffrey A. DeVree. Jeff mentioned the potential Michigan Offer in Compromise program, which is discussed below. Wayne Roberts mentioned that the State of Michigan is considering a new deposit law that would apply to all bottles.

10. Membership Outreach Coordinator - Gregory V. DiCenso. Greg was not present. Joan Dindoffer commented that there may be one meet and greet event at MSU and one at U of D this year. Chuck Lax indicated he would like to see the Section have meet and greet sessions with three law schools per year so that all law schools are covered every two years. Chuck Lax mentioned the prior grant to the MSU Tax Clinic was well received by the State Bar, and that other similar programs should be considered.

11. Annual Meeting/Past Chairpersons' Dinner - Joan R. Dindoffer. Joan indicated the past chairpersons' dinner would be scheduled for Thursday, September 14, 2007. It will probably be at the Skyline Club, but she is exploring room options to see if we can obtain a larger room. Each year, the emphasis is on enticing past presidents to come to the dinner.

D. COMMITTEE ACTIVITIES. Chuck Lax has asked that all tentative program dates, topics, and locations be provided to him by November 1<sup>st</sup>. Chuck also requested that meetings be spread evenly over the course of the year. He encouraged that the Committee Chairpersons communicate more with their members regarding any matters relevant to the Committee practice area.

1. Business Entities - John M. O'Hara. John met with Chuck Lax to discuss planning ideas. He discussed a joint meeting with Joe Pia regarding partnership 754

elections. John is also exploring a topic regarding LLC documentation. John was not able to obtain an email list for his section members. The next Business Entities meeting has been rescheduled from October to November. Recent developments involving S-corporations will be discussed.

2. Employee Benefits - David B. Walters. David indicated that 95 people attended their last meeting. Sal Tripodi of TRI Pension Services, Inc. did a four-hour presentation on September 28, 2005, at the Sheraton Hotel in Novi. Attendance exceeded expectations and very positive feedback was received. The speaker charged a fee for services and the net expense of the meeting was \$3620. Sal's fee, based on the number attending, was \$6700. David indicated he would consider a future all-day program, perhaps for next fall, since people expressed interest in a longer program.

3. Estates and Trusts - Frederick H. Hoops. Fred was unable to attend, and provided a written report. A meeting was held at Meadowbrook Country Club on September 21, 2005, and approximately 40 people attended. Richard Neno from Wilmington Trust spoke on asset protection trusts. Fred reported attendance was the best it had been all year long. The next meeting is scheduled for December 14, 2005. Julie Quam will be the speaker. Jerry McCoy will be a speaker on non-profit and charitable giving on February 16, 2006, at the Skyline Club.

4. Practice and Procedure - Joseph Pia. Joe was unable to attend and provided a written report. He is in the process of planning the meetings scheduled for the next two years, and wants to schedule meetings for the first Wednesday of the first month of the quarter. He is open to suggestions for topics. Joe intends to do a program with Rob Heitmeyer of the IRS. Joe is interested in having a program with IRS and private practitioners, at which there would be a strong focus on criminal implications and aspects. Joe's Committee will also continue to assist Wayne Roberts regarding Michigan's Offer in Compromise Program.

5. State and Local - Wayne Roberts. Wayne discussed the proposed Michigan Offer in Compromise program. Joe Pia assisted with the proposal. Wayne provided a memo describing the potential program. The intent is to persuade the legislature to allow the Council to prepare a first draft of the potential statute. Gina Torielli commented that it may be easiest to approach republican legislators with a lobbyist. The proposal would gain more favorable attention if it were somehow labeled as a revenue raiser. Al Storrs said he had explored something like this in the past and ran into difficulties. He echoed Gina's comments that a lobbyist would probably be needed. A question was posed to Jeff DeVree as to whether the approval of the State Bar of Michigan was needed. Jeff reported that the State Bar's endorsement was not needed and that the Section can take a written position as long as it is not contrary to State Bar policy. However, the Section must give the State Bar notice, and must also state in written materials provided to third parties that this is the position of the Section and not the position of the State Bar of Michigan. Once the proposal is agreed by the Council, it must be sent to the Executive Director with an indication of how the proposal was approved. The Section must also act in accordance with its bylaws, which do not address how to take public policy positions. The bylaws basically leave the issue to the Council; there is no prohibition on policy matters. Jeff DeVree moved that the Council adopt the position stated in the first two pages of the memo prepared by Wayne Roberts, and that the matter be delegated to the State and Local Tax Committee, the

Practice and Procedure Committee, the Federal and State Legislation council member, and the Public Policy Liaison council member for these groups to further suggest drafts of potential statutory language and to contact the State Bar of Michigan regarding possible communications with the legislature concerning options and draft language. The Section will notify the Executive Director within ten days of its position. After a second by Paul Jackson, the motion was unanimously carried. All in attendance, as stated above, voted in favor of this motion.

6. Probate and Estate Planning Section Liaison Report - Shirley Kaigler. Shirley was unable to attend.

7. State Bar of Michigan Liaison Report - Robert D. Heitmeyer. Robert was unable to attend.

E. NEW BUSINESS.

The proposed budget was briefly discussed. Chuck Lax indicated the Section has approximately \$120,000 worth of cash accumulated from prior years. The expense of the Tax Directory had been eliminated with the use of email and the web, which saved as much as \$20,000 in annual expenses. Sponsors had been previously needed for the Tax Directory. Aaron Sherbin moved that the proposed budget be adopted as the budget for the upcoming year. After seconded by Ron Charlebois, the motion was unanimously carried.

There being no further business, and after motion, second, and unanimous consent, the meeting was adjourned at 11:15 AM.

Respectfully submitted,

Jess A. Bahs  
Secretary