

**COUNCIL OF TAXATION SECTION  
MINUTES OF REGULAR MEETING  
October 11, 2007**

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on October 11, 2007 at 9:00 AM at the offices of Edward Rose in Farmington, Michigan. Jay A. Kennedy, Chairperson of the Taxation Section, presided.

**COUNCIL MEMBERS PRESENT**

Jay A. Kennedy	John O'Hara
Jess A. Bahs	Warren Widmayer
Ronald T. Charlebois	Marjorie Gell
Gina M. Torielli	Joan R. Dindoffer

**COMMITTEE CHAIRPERSONS PRESENT**

Paul McCord, State & Local

**COUNCIL MEMBER ABSENT**

Michael Domanski  
Lynn M. Gandhi  
Frederick H. Hoops III  
Wayne Roberts  
Aaron H. Sherbin  
Alvin L. Storrs  
David Walters

**COMMITTEE CHAIRPERSON ABSENT**

Jeff Freeman, Practice and Procedure  
Marko Belej, Business Entities  
Douglas Stein, Estates and Trusts  
Lisa Zimmer, Employee Benefits

**OTHERS PRESENT**

Deb Michaelian, Program Facilitator  
Mary Hiniker, ICLE  
Carrie Huse, ICLE

Council Chairperson, Jay Kennedy, called the meeting to order at 9:16 AM. Jay noted the poor attendance and asked that the minutes reflect an admonishment to absent Council members and committee chairs.

A. MINUTES.

The Minutes of the last meeting of the Council had been previously distributed. After minor corrections regarding attendance, the Minutes were accepted by unanimous vote, after the motion of Warren Widmayer, as seconded by Jess A. Bahs.

B. TREASURER'S REPORT AND BUDGET.

Jess A. Bahs and Jay Kennedy together submitted a report for the 2006-2007 fiscal year. The report indicated cash of \$116,490.37 on hand at the end of fiscal period.

Jay Kennedy discussed the proposed 2007-2008 Budget for the Council, reflecting anticipated revenues of \$80,000 and expenses of \$96,000. Jay noted that anticipated revenue from the tax conference was reduced to reflect more closely actual revenues from 2007, and that any revenue from committee meetings is now reflected in the net cost of that committee's meetings under expenses. Funds of \$2,000 are estimated to come from the Lexis-Nexis payments for the Michigan Tax Lawyer, although to date no payments have been received. On the expense side, Outreach has been split into Grants and more traditional Outreach Activities. Anticipated expenses relating to the Michigan Tax Lawyer and the Annual Tax Conference were reduced to better reflect historical expenditures. Committee chairs are encouraged to spend their budgeted amounts on committee programs.

Gina Torielli noted that there would be costs associated with our new arrangement with ICLE and Jay indicated these costs would be accounted for through committee budgets for committees who use the arrangements. Gina also suggested that student scholarships to Tax Court lunch and annual conference be accounted for under Outreach, to better reflect how the Section is doing on outreach.

Warren Widmayer noted that no amount was budgeted for the new international committee. A motion to budget \$1,500 of expense for the international committee (for a total of \$97,500 of expenses) was made by Warren Widmayer, seconded by Jay A. Kennedy, and unanimously approved. A motion to approve the entire Budget was made by Jess A. Bahs, seconded by Warren Widmayer, and unanimously approved.

C. COUNCIL ACTIVITIES.

Jay Kennedy asked for reports and was advised of the following:

1. After Hours Tax Law Series – John O'Hara. John O'Hara was present and made an oral report. He indicated that all arrangements for the 2007-2008 After Hours Tax Law Series had been finalized. John and Mary Hiniker provided a written report of registrations and attendance for the Series to date.

2. Continuing Professional Education. Paul McCord reported on upcoming CPE events. The First Annual Michigan Tax Conference, sponsored by the MACPA, State Bar Taxation Section and the Michigan Department of Treasury and will consist of a two day conference scheduled for November 7 & 8, 2007, with a comprehensive review of Michigan tax law and issues. So far, 130 people are registered. The Council has promoted the event to its members. Paul and Mary Hiniker reported that ICLE had scheduled a half day session on February 7, 2008, on the new Michigan Business Tax. Paul McCord is taking the lead on planning this, and Paul indicated that three speakers have already been lined up for this event. The focus of this event will likely be the applicability of the MBT to pass through entities, estates and individuals.

3. 2008 Tax Conference – Frederick H. Hoops, III. Fred was not present, but sent a written report. He indicated that Jeffrey N. Pennell (Professor of Law, Emory Law School), one of the scheduled speakers, no longer travels to speaking engagements. Pennell offered to do either a recorded or teleconference session at no charge. Fred indicated this might be a possibility for the Estates and Trusts breakout session. The Council generally discussed suggestions for a morning session speaker, to replace Pennell. Fred also indicated he is still following up to obtain two additional sponsors (for a total of four). Fred needs the names of breakout session speakers ASAP from committee chairs.

4. 2009 Tax Conference – Marjorie Gell. Marjorie was present and indicated that there is nothing yet to report.

5. Tax Court Luncheon – Warren Widmayer. Warren was present and reported that the next Tax Court luncheon has been scheduled for October 30<sup>th</sup>. The luncheon will be in honor of Judge Carolyn P. Chiechi. 13 are registered to date. The Council unanimously approved increasing scholarships for law school attendees to 10 per school.

6. Directory – David Walters. David was not present and did not send a written report. Gina Torielli reported that the directory project is completed for 2007 and there is nothing to be done before early 2008.

7. Michigan Bar Journal Liaison – John O’Hara. John was present circulated a draft posting of the Section’s events for comment. John reminded everyone to post as soon as possible on the Section’s on-line calendar all upcoming Section’s events as this will provide materials that may then be published in a future Section Briefs column.

8. Michigan Tax Lawyer – Lynn Gandhi. Lynn was not in attendance. Marjorie reported she and Lynn are working together to get the next issue out. This issue is on track for publication. She also asked for clarification regarding bills that go directly to the State Bar for payment (like printing costs). The Council confirmed we want a copy of those bills sent to us by the State Bar for review.

9. Internet – David Walters. David was not present and sent no report. The Council suggested the website add a link for “Webcasts” to accommodate the planned committee webcast events with ICLE.

10. Federal and State Legislation and Public Policy Liaison – Wayne Roberts. Wayne was not present and sent no report.

11. Membership Outreach Coordinator – Joan Dindoffer. Joan was present and reported on robust student interest in the Tax Court luncheon. She provided a written report. She inquired as to whether additional students should be encouraged to attend and the Council agreed. She was working on an event at MSU on October 22, 2007 and asked that at least four Section members attend. She is working on additional events at Ave Maria for January/February and is attempting to schedule an event at Wayne.

12. Annual Meeting/Past Chairperson's Dinner – Warren Widmayer. Warren was present. There is nothing to report yet. Jay will pick a date in September and steer clear of the Jewish holidays.

13. Grant Program Joan Dindoffer. Joan reported that the Council approved a \$1,500 sponsorship for the Accounting Aid Society's 35<sup>th</sup> Anniversary Dinner Gala and Fundraiser on October 4<sup>th</sup> on the condition that this payment be applied towards any 2008 grant made to the Accounting Aid Society. Joan attended the event and expressed disappointment that there was no acknowledgement of the Section's sponsorship.

D. COMMITTEE ACTIVITIES.

Jay A. Kennedy then asked for reports and was advised of the following:

1. Business Entities – Marko Belej. Marko was not present and did not submit a written report. John O'Hara reported that he has spoken to Marko and provided a transition email to the committee.

2. Employee Benefits – Lisa Zimmer. Lisa was not present and she made no written report.

3. Estates & Trusts – Douglas Stein. Doug was not present and he made no written report.

4. Practice and Procedure - Jeffrey Freeman. Jeff was not present and he did not submit a written report.

5. State and Local – Paul V. McCord. Paul was present and he reported on the committee's webcast meeting last week, held at St. John's on the same day as the ICLE's After Hours seminar. Paul endorsed this collaboration with ICLE and indicated that materials from the event would be posted by late October on the ICLE website. The Section should add links to this as well. Mary Hiniker said ICLE will forward to the Section any available counters of access to the ICLE link with respect to tax materials.

6. International Committee – Michael Domanski. Mike was not present, but sent a written report. He indicated that two local law schools, the International Law Section and approximately five section members expressed interest in events relating to this new committee.

He also has commitments from at least two foreign law firms to speak at events. He expects to begin events in the new year.

Jay asked that the minutes reflect a reminder to committee chairs to submit written reports of committee activities.

E. PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT.

Lorraine New was not present but filed a written report on recent activities of the Probate and Estate Planning Section. She indicated the Section was dealing with a financial crisis and was cutting back on costs. This Section is continuing to discuss issues concerning durable powers of attorney. Work on the proposed Michigan Uniform Trust Code is also proceeding with the entire package to be completed by spring of next year. She also referenced that the latest version of the Probate Journal was sent out electronically. The next Section meetings are October 20<sup>th</sup> in Oakland and November 17<sup>th</sup> in Lansing.

F. STATE BAR OF MICHIGAN LIAISON REPORT.

Lambro Niforos was unable to attend and but sent a written report indicating the State Bar is reviewing more new laws with the eye toward developing positions with respect to those that affect the membership.

G. IRS AREA COUNSEL LIAISON REPORT.

Eric Skinner and Rob Heitmayer were not present as IRS Liaison.

H. PROGRAM FACILITATOR REPORT – DEBORAH L. MICHAELIAN.

Deb indicated that she had nothing to report at the present time. She encouraged anyone needing an updated policy manual to contact her.

I. OLD BUSINESS.

1. Section E-newletter. Aaron then brought up for discussion the possible use by Council of an electronically delivered E-Newsletter. One format for the Section would be somewhat akin to the E-Newsletter published by the Business Law Section. Following discussions, Aaron, on behalf of Council, acknowledged an interest in having a periodical E-newsletter issued by the Section but needed more information concerning costs and who would be responsible for its content and publication. This may require the formation of a new Council activity coordinated by a designated Council position. Aaron concluded that this proposal should also be considered further at a later date.
2. ICLE Collaboration on Education Programs. Gina Torielli reported that at its last meeting, the Council approved funds to work with ICLE on webcasting up to four committee events in 2007-2008 and for producing webcast “tips” for tax practitioners. As directed by Council, Jay Kennedy and Gina drafted and sent a letter to ICLE conveying this decision. Mary Hiniker and Carrie Huse of ICLE provided a list of

five dates most suitable for committees to hold webcast meetings. These are dates where ICLE is already holding webcast meetings so are most cost-effective for holding committee meetings before or after. Other dates are available and committee chairs are encouraged to work through either John O'Hara or Carrie Huse to schedule dates. Webcasting works best for events where there will be a speaker, rather than general committee discussion.

The Council also approved collaboration to produce "10 Tips in 10 Minutes" type broadcasts on tax topics. Broadcasts will be available on ICLE's website and the Section website. Committee chairs should look for hot topics to be used for these broadcasts, including nuggets by people who speak at committee events. These can be recorded at St Johns, at ICLE in Ann Arbor or even over the phone. Gina Torielli will be the Council's liaison to ICLE for these broadcasts.

K. NEW BUSINESS.

1. Calendar and Ejournal Updates. The Council discussed providing an E-newsletter to members, similar to that provided by the Business Law Section. It is unclear what would be included in the E-newsletter besides the calendar notices Section members already receive by email. Jay will have Deb email around a sample of what is being done. Jay will also talk to David Walters about his interest in taking this project on. Warren indicated he would consider taking on the project, once he sees the sample newsletter.
2. Section Orientation and Economics of Law Practice Surveys. Jay Kennedy circulated reports regarding the State Bar's Survey of the Economics of Law Practice and solicited comments. Warren Widmayer commented that there were no subtopics listed for tax. He will prepare a list for Jay to suggest to the State Bar.

Jay reported that on October 18<sup>th</sup>, Section chairs would be in Lansing for training. The State Bar sent Sections a letter asking if there is anything the State Bar could do to assist the Sections. Jay asked for suggestions on issues to bring to the meeting.

There being no further business, upon motion by Warren Widmayer, seconded by Gina Torielli and unanimous approved, the meeting was adjourned at approximately 10:15 AM.

Respectfully submitted,

Gina M. Torielli  
Secretary