

**COUNCIL OF TAXATION SECTION
MINUTES OF REGULAR MEETING
June 7, 2007**

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on June 7, 2007 at 9:00 AM at the offices of Varnum Riddering Schmidt & Howlett in Novi, Michigan. Aaron H. Sherbin, Chairperson of the Taxation Section, presided.

COUNCIL MEMBERS PRESENT

Aaron H. Sherbin	Wayne Roberts
Jay A. Kennedy	Gina M. Torielli
Jess A. Bahs	Alvin L. Storrs
Ronald T. Charlebois	Marjorie Gell
Charles M. Lax	Joan R. Dindoffer
Paul R. Jackson	Frederick H. Hoops III
Warren Widmayer	Michael Domanski

COMMITTEE CHAIRPERSONS PRESENT

Douglas Stein, Estates and Trusts
John O'Hara, Business Entities
Joseph Pia, Practice and Procedure

COMMITTEE CHAIRPERSONS ABSENT

David Walters, Employee Benefits
Paul McCord, State & Local

OTHERS PRESENT

Robert D. Heitmeyer, IRS Liaison
Deb Michaelian, Program Facilitator
Mary Hiniker, ICLE
Laura Freeman, ICLE

Council Chairperson, Aaron H. Sherbin, called the meeting to order at 9:00 AM.

A. **MINUTES.**

The Minutes of the last meeting of the Council had been previously distributed. There being no changes to the Minutes, the Minutes were accepted by unanimous vote, after the motion of Douglas Stein, as seconded by Jay Kennedy.

B. TREASURER'S REPORT.

Jess A. Bahs submitted a report for the period from October 1, 2006 to May 31, 2007. The report indicated cash of \$173,359.92 on hand at May 31, 2007. Jess reviewed his report with a comment that the amounts of the actual revenues and expenses for the 2007 Tax Conference have yet to be fully included. Further, the Lexis-Nexis payment has not been received (due to undisclosed internal reorganization problems at Lexis-Nexus) and there was a possibility that payment may be further delayed until September or October. However, with projected net revenues from the Annual Tax Conference, and with each of the Committee's actual expenses below the budget for the year, Jess indicated that the Section's financial operations appear to be within the budget for the current year. Jess encouraged Council members and Committee Chairs to be diligent in submitting all expenses to be paid or reimbursed for the current fiscal year. A motion to approve the Treasurer's report was made by Gina M. Torielli, seconded by Alvin L Storrs, and unanimously approved.

C. COUNCIL ACTIVITIES.

Aaron Sherbin asked for reports and was advised of the following:

1. Continuing Professional Education. Alvin Storrs was present as was Mary Hiniker and Laura Freeman from ICLE. Al reported to Council that additional meetings have been held with Mary and other ICLE representatives to discuss future opportunities for collaboration with the Section through the use of ICLE's various resources and technical support. Mary then provided Council with a summary of some of ICLE's proposals, including posting short "how to" videos on the Section's website, expanding the use of web casts (with possible use of ICLE's Ann Arbor facilities), and website links for marketing, archiving or other purposes. Aaron encouraged investigation of these ideas and appointed Gina Torielli to explore the benefits of closer ICLE collaboration. In another CPE matter, Aaron reported that he received an inquiry from an ABA representative as to whether the Section would be interested in co-sponsoring tax seminars. After pointing out to Council that the Section has no apparent need for the ABA due to the affiliation with ICLE and the Section's own resources, as well as the possibility that the ABA inquiry may, in part, be motivated by a desire to recruit memberships, it was decided by Aaron, with the backing of Council, to respond by stating that the Section had no interest in co-sponsoring seminars with the ABA at the present time.

2. After Hours Tax Law Series – Alvin Storrs. Al submitted an updated written report on the 2007-2008 After Hours Tax Law Series to be held for the first time in Plymouth at the Inn at St John's. All presentations will be web casted. The report listed the dates, topics and speakers for the Series.

3. 2007 Tax Conference – Warren Widmayer. Warren was present and distributed a detail budget report on the Annual Conference together with a summary of the evaluations completed by attendees. Attendance was down from 2006 levels but net revenue was comparable to last year's results due in part to lower publication fees. It was also noted that speaker fees were not charged by the following featured speakers: Ira Shepard, Jay Adkisson and Jerome Hesch. Warren proposed that an honorarium be paid to each of these speakers to express

the gratitude of Council for their participation in the Conference. Following discussions, a motion to approve payment of an honorarium, in the sum of \$1,000 for each of the featured speakers identified above, was made by Gina Torielli and seconded by Joseph Pia and unanimously approved. Warren then reviewed the attendee's evaluations with Council. Aaron indicated that he thought the relevant comments were mostly favorable. In concluding remarks on the 2007 Annual Tax Conference, Aaron recognized the contributions and efforts of Warren Widmayer, the Conference coordinator, and Deb Michaelian, the program facilitator for the Conference. The minutes reflect the appreciation of Tax Council for all their hard work in connection with this event.

4. 2008 Tax Conference – Frederick H. Hoops, III. Fred was present and indicated that unlike past Annual Conferences the 2008 Conference may need to be scheduled later in May as the Inn at St John's has no available earlier date for that month. Fred indicated that the Inn has proposed a May 28th date for the 2008 Conference but since that is the Wednesday after Memorial Day there are concerns regarding attendance. Fred stated that he would have further discussions with the manager at the Inn and update Council at the next meeting. In addition, Fred reported that he has already started the process of securing sponsorships for the 2008 Conference.

5. Tax Court Luncheon – Joan Dindoffer. Joan was present and reported that she is working on the next Tax Court luncheon tentatively scheduled for October 29th.

6. Directory – Gina Torielli. Gina reported that the directory project is completed for 2007. She also indicated that a notice was sent to the membership inviting them to join a Committee.

7. Michigan Bar Journal Liaison – Paul R. Jackson. Paul was present and indicated that the June issue of the *MBJ* will include a Section Briefs item that he submitted. Paul also requested that anyone desiring to have a newsworthy Section activities or events published in a future Section Briefs column to please notify him as soon as possible.

8. Michigan Tax Lawyer – Marjorie B. Gell. Marjorie reported that all articles for the summer edition of the *MTL* have been received or otherwise expected to be received shortly. A July publication date is anticipated.

9. Internet – Gina Torielli. Gina stated that there was nothing to report at this time.

10. Federal and State Legislation and Public Policy Liaison – Wayne Roberts. Wayne was present and reported that since the last Council meeting his focus has been on tracking legislative efforts in Lansing to replace the SBT with a new business tax. His overview included a discussion of the current replacement proposals from the Michigan House and Senate that include a unitary business income tax and a gross receipts tax. Changes and compromises are expected to occur before final tax legislation is approved. Wayne will continue to monitor the situation on behalf of Council until tax reform legislation is finalized.

11. Membership Outreach Coordinator – Michael W. Domanski. Michael was present and reported that he was working on a schedule for upcoming visits to each of the

Michigan law schools with the initial focus on holding the next event at Wayne Law School. Aaron encouraged all members of Council, especially alumni of the law school visited, to participate in these events. As to the possible restoration of the former International Tax Committee, Mike reported that the idea has been received with some degree of interest by other attorneys including in-house legal counsel dealing with global tax issues.

D. COMMITTEE ACTIVITIES.

Aaron Sherbin then asked for reports and was advised of the following:

1. Business Entities - John M. O'Hara. John was present and filed a written report. He is currently working on transition of duties to his successor but may schedule one final meeting in July or August.

2. Employee Benefits - David B. Walters. David was not present and did not file a written report.

3. Estates & Trusts – Douglas Stein. Doug was present and reported that George Gregory returned to address the Committee on June 4th in a continuation of his presentation on the tax impact of certain real estate transfers. He also mentioned a scheduling a Committee meeting sometime in August.

4. Practice and Procedure - Joseph Pia. Joe was present and filed a written report indicating that his Committee met on May 29th with Neal Nusholtz as the presenter. The report also reflected a meeting he had with Michigan IRS Practitioner Liaison Group which provides a forum for the IRS and the tax professional community to address issues of mutual interest. A notice of a June 13th seminar in Novi coordinated by this Group was also distributed.

5. State and Local – Paul V. McCord. Paul was not present but did file a written report which was read by Aaron. Committee activities included the regular meeting held concurrent with the May 3rd Annual Tax Conference and a meeting tentatively scheduled with the SALT Committee to discuss the proposed Tax Tribunal Rules of Practice and Procedure. Paul also stated that he and Wayne Roberts are continuing to work with the MACPA on the first annual Michigan Tax Conference scheduled for November 7th and 8th of this year.

E. PROBATE AND ESTATE PLANNING SECTION LIAISON REPORT.

Lorraine New was not present but did file a written report on recent activities of the Probate and Estate Planning Section. This included a status of the work by that Section regarding possible certification of certain practice areas, the proposed Michigan Trust Code and possible new state legislation in the areas of insurable interests and powers of attorney.

F. STATE BAR OF MICHIGAN LIAISON REPORT.

Lambro Niforos was unable to attend and did not file a written report.

G. IRS AREA COUNSEL LIAISON REPORT.

Rob Heitmeyer was present. Rob pointed out that October 29th was the next regular Tax Court calendar in Detroit and November 26 was the next S corporation Tax Court calendar (with Judge Laro). He also mentioned that during the first 6 month of 2007 approximately 370 new cases were docketed.

H. PROGRAM FACILITATOR REPORT – DEBORAH L. MICHAELIAN.

Deb indicated that she had nothing to report at the present time.

I. NOMINATING COMMITTEE REPORT.

The Committee, consisting of Aaron and the past three Chairpersons, will present its nominations for Officers and new Council members at the September 19th annual meeting of the Taxation Section.

J. OLD BUSINESS.

It was agreed that any reference in the Policy Manuel to “paid advertising” as part of the *Michigan Tax Lawyer* should be disregarded and purged.

K. NEW BUSINESS.

Gina Torielli reported a panel discussion sponsored by Cooley Law School regarding attorney-client privileges and client confidences occurred on June 27th at the Rochester Hills campus.

There being no further business, upon motion by Gina Torielli, seconded by Ronald Charlebois, and unanimous approved, the meeting was adjourned at approximately 11:15 AM.

Respectfully submitted,

Ronald T. Charlebois
Secretary