

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

A regular meeting of the Taxation Council of the State Bar of Michigan Taxation Section was held on March 10, 2005 at 9:00 AM. The meeting was held at the offices of Maddin, Hauser P.C. in Southfield, Michigan. Eric Nemeth, Chairperson of the Taxation Section, presided:

**COUNCIL MEMBERS PRESENT**

|                   |                 |                  |                      |
|-------------------|-----------------|------------------|----------------------|
| Eric M. Nemeth    | Charles M. Lax  | Aaron H. Sherbin | Henry P. Lee         |
| Jay A. Kennedy    | Jess A. Bahs    | Gina M. Torielli | Ronald T. Charlebois |
| Joan R. Dindoffer | Paul R. Jackson | Thomas J. Kenny  | Paul R. Jackson      |
| Alvin L. Storrs   | Sherill Siebert |                  |                      |

**COMMITTEE CHAIRPERSONS PRESENT**

Warren J. Widmayer, Employee Benefits  
James F. Mauro, Practice and Procedure  
Eric T. Carver, Business Entities  
Frederick H. Hoops, III, Estates & Trusts  
Wayne D. Roberts, State & Local

**COUNCIL MEMBERS ABSENT**

Jeffrey A. DeVree

**OTHERS PRESENT**

Mary Hiniker, ICLE Representative  
Deb Michaelian, Program Facilitator  
Ed Deron, former Chairperson  
Shirley Kaigler, Probate Section Liaison

The meeting was called to order at 9:04 A.M. by Council Chairperson, Eric Nemeth.

A. **MINUTES.**

The minutes of the last meeting of the Council had been previously distributed. No comments were received pertaining to those minutes. There being no comments, on motion duly made by Gina Torielli and seconded by Tom Kenny to accept the minutes, the motion was unanimously carried.

B. TREASURER'S REPORT.

Aaron Sherbin submitted a Report for the period 10/1/04 to 12/31/04 and a budget for the period October 1, 2004 to September 30, 2005. Aaron reminded Committee Chairpersons that we are approximately one-half way through the fiscal year and that there are funds budgeted for Committee activities, none of which have yet been spent. On motion duly made by Gina Torielli and seconded by Charles Lax to approve the Report and the Budget, the motion was unanimously carried.

C. COUNCIL ACTIVITIES.

Eric Nemeth asked for reports and was advised of the following:

1. After Hours Tax Law Series. Alvin Storrs reported that attendance has been high at this year's After Hours Seminars. The use of Webcasts for upcoming programs is in the development phase. Alvin suggested that future topics might include a session focusing on non-profit organizations and a session on international tax issues. He hopes to have a lineup for next year's After Hours Tax Law Series within the next sixty days that can be announced at the 2005 Tax Conference.

2. 2005 Tax Conference. Jess Bahs distributed an updated schedule for the May 26 Conference. Judge Laro is scheduled as the lunch speaker. Each of the Committees will present a brief update of significant developments to the entire group from 8:30 to 10:30, followed by a presentation by Stacy Eastland on Family Limited Partnerships and other major estate planning issues. Following lunch there will be a group session on Circular 230 issues from 1:30 to 2:15, followed by breakout sessions presented by the Business Entities, Practice and Procedure, State and Local and Employee Benefits Committees.

Drafts of the written materials for each Committee are due by April 15, 2005, with final drafts due by May 1, 2005.

Chuck Lax confirmed with Jess that there should be two mailings regarding the Conference.

3. Tax Court Luncheon. Ron Charlebois reported that the next luncheon is scheduled for Wednesday, June 8, 2005 with Judge Robert A. Wherry, Jr. beginning at 12:00 noon. The luncheon will be held at the Detroit Club on Cass Ave. in Detroit. As part of the Section's outreach efforts, up to five students from each of the Michigan Law Schools will be allowed to attend without charge. The cost for Section members is \$20.00.

4. Directory. Joan R. Dindoffer indicated that the Directory is ready to go, and will be accessible to Section members electronically via the internet. The availability of the Directory will be announced in the upcoming issue of the *Michigan Tax Lawyer*.

5. Michigan Bar Journal. Ron Charlebois mentioned that Taxation Section Updates may be included in each issue of the Michigan Bar Journal. The upcoming Journal will include an announcement for the Tax Conference.

6. Michigan Tax Lawyer. Tom Kenny submitted a written report that indicated that he has completed his review of the Winter, 2005 edition, and that it is expected to be mailed by 1/31/05. Also, the Spring, 2005 edition is underway.

7. Internet. Jeffrey DeVree was not present. In an email to Eric Nemeth he mentioned that participants in the internet discussion group should remember to shut off their auto-reply option.

8. Federal and State Tax Legislation. Paul Jackson circulated a report that includes Requests for Comments on a proposed Amendment of Michigan Court Rule 2.504 and on Senate Bill No. 113 – Required Jury Service. Also included in the report are Tax Related Portions of the Bankruptcy Abuse Prevention and Consumer Protection Bill of 2005, a Proposed Amendment to General Property Tax Act, and a Proposed Amendment to the Single Business Tax Act. Eric Nemeth mentioned that any comments should be forwarded to Deb Michaelian.

9. Membership Outreach. Joan Dindoffer reported that a “meet and greet” session at Wayne State University Law School was held in late January. This session included six Taxation Section members and over 30 students. Joan also mentioned that another law student “meet & greet” luncheon would be held at the University of Michigan on March 16. Henry Lee asked for feedback regarding his outreach Memorandum that was circulated at the last Section meeting. He complimented the recent Cooley Law School program featuring Eric Solomon, and suggested that we use upcoming events, such as the Tax Conference, to assist with recruiting efforts. Mary Hinicker suggested that the Section contact Jeff Kirky of the Young Lawyers Section. Al Storrs suggested that the Taxation Section consider a program similar to the successful Business Boot Camp that would focus on basic tax issues. There was also a brief discussion regarding lawyers who have dropped out of the Taxation Section, and alternatives for bringing these members back.

#### D. COMMITTEE REPORTS.

1. Business Entities. Eric Carver reported that an update on Valuing Business Entities would be held on April 7 at Dykema Gossett’s Oakland Hills office. He also briefly discussed the Committee’s presentation at the upcoming Tax Conference.

2. Employee Benefits. Warren Widmayer reported that a successful meeting was held on February 24, 2005 featuring Timothy Hauser, Assoc. Solicitor of Labor Division of Plan Benefits Security, who discussed Title I Fiduciary Issues. Upcoming events include a July meeting that will focus on real estate investments by IRAs.

3. Estates & Trusts. Fred Hoops reported that an April meeting will focus on valuation issues. A July meeting is also planned featuring IRS official Lorraine New.

4. Practice & Procedure. James Mauro reported that his Committee and the State & Local Committee held a successful joint meeting featuring Jack Van Coevering on March 2, 2005. The meeting included a discussion of proposed changes at the Michigan Tax Tribunal. The Tribunal is soliciting comments regarding its proposed reorganization. This meeting was held by teleconference, with approximately 12 participants in Dickinson Wright's Lansing office and 10 participants in its Bloomfield Hills office. Jim also mentioned that Tax Court Judge Laro is scheduled to speak at the upcoming Tax Conference. Also, a meeting is scheduled for August 3 from 3:30 P.M. to 5:00 P.M. on a federal topic.

5. State & Local. Wayne D. Roberts reported on the joint meeting with the Practice and Procedure Committee. He mentioned that Jack Van Coevering has asked for comments regarding proposed Tax Tribunal changes, and wants more interaction with the Taxation Section. Tom Kenny suggested that Mr. Van Coevering be invited to the next meeting. There was also a brief discussion of the proposed Single Business Tax reform, which is opposed by the Michigan Chamber of Commerce. Wayne also indicated that the Mich. Dept. of Treasury's Tax Policy Director will make a presentation at the upcoming Tax Conference, and that this presentation be consolidated with the proposed June 6 meeting. Wayne also indicated that an October meeting of the Committee is planned.

6. Probate and Estate Planning Section Liaison. Shirley Kaigler reported that Richard Shapack, a liaison with the Real Property Section, has announced a Homeward Bound presentation by the Real Property Section entitled "Tax Planning for Real Estate." This presentation will be on November 3, 2005. Council Members and others interested in attending this presentation should contact Shirley. Jay Kennedy will contact George Gregory regarding the joint committee to review tax issues with the proposed Uniform Trust Code.

7. Report of the State Bar of Michigan Liaison. Roger Young was not present and did not submit a report.

E. OLD BUSINESS.

Chuck Lax reported that the draft rewrite of the Policy and Procedure Manual is complete, and that he will circulate the draft for comments.

There was a brief discussion regarding funding for the Michigan State University College of Law Tax Clinic. Joan Dindoffer will check with other Michigan law schools regarding possible similar programs at these schools.

G. NEW BUSINESS.

A motion was made by Jay Kennedy to make a donation in the amount of One Hundred Dollars (\$100) to the Peter & Dorothy Brown Day Care Program of West Bloomfield, Michigan in memory of Chuck Lax's father Harold Lax. The motion was seconded and adopted unanimously.

There being no further business, a motion to adjourn was made by Henry Lee and seconded by Jay Kennedy. After unanimous consent, the meeting was adjourned at 10:30 A.M.

Respectfully submitted,

Jay A. Kennedy  
Secretary