

**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 June 23, 2005 at 9:00 AM. The meeting was held at the offices of Honigman Miller Schwartz and Cohn LLP in Southfield, Michigan. Eric Nemeth, Chairperson of the Taxation Section, presided:

**COUNCIL MEMBERS PRESENT**

Eric M. Nemeth	Charles M. Lax	Aaron H. Sherbin
Jay A. Kennedy	Gina M. Torielli	Ronald T. Charlebois
Jess A. Bahs	Jeffrey A. DeVree	Paul R. Jackson
Sherill Siebert		

**COMMITTEE CHAIRPERSONS PRESENT**

Warren J. Widmayer, Employee Benefits  
Fred Hoops, Estates & Trusts

**COUNCIL MEMBERS ABSENT**

Paul R. Jackson  
Henry P. Lee  
Thomas J. Kenny  
Joan R. Dindoffer  
Alvin L. Storrs

**COMMITTEE CHAIRPERSONS ABSENT**

Wayne D. Roberts, State & Local  
Eric Carver, Business Entities  
James Mauro, Practice & Procedure

**OTHERS PRESENT**

Deb Michaelian, Program Facilitator

The meeting was called to order at 9:05 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 Sherill Siebert and seconded by Gina Torielli 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 5/31/05. He also distributed a comparison of budgeted vs. actual revenue and expenses for the period October 1, 2004 to September 30, 2005, and a report showing that the Tax Section Records match the amounts shown in the State Bar of Michigan Records. Finally, Aaron submitted a *Detailed Trial Balance for 2005* prepared by the State Bar of Michigan. A motion to approve the Treasurer's Report made by Jay Kennedy, and seconded by Sherill Siebert, was unanimously approved.

C. COUNCIL ACTIVITIES.

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

1. After Hours Tax Law Series. Mary Hiniker submitted a report that indicated that the planning is almost complete for the 2005-2006 After Hours Tax Law Series. The sessions shown on the report include *Asset Protection Planning after the 2005 Bankruptcy Amendments* on Oct. 25, 2005; *Hot Topics in Nonprofit Taxation* on November 22, 2005; *Partnership Tax Basics* on January 24, 2006; and *Hot Topics in Estate and Gift Tax: The Audit Process from Filing to Tax Court* on February 21, 2006. The Report also indicated that the flyer for the 2005-2006 program will be mailed by the third week of July.

2. 2005 Tax Conference. Jess Bahs thanked the Committee Chairpersons and others who assisted with the 2005 program. He distributed evaluations of the 2005 program that were generally very favorable. Jess indicated that 165 persons signed up for the program and 135 showed up. Gina Torielli commented that 62% of the participants indicated that the "cost" was "superior", and suggested that we may want to raise the fees for the 2006 program. Eric Nemeth suggested that we should keep the cost down to attract participants, even if this means that the Tax Section will incur a small loss on the program. The evaluations show that 85% of the participants filling out the survey indicated that the location was superior. Gina will take steps to reserve the St. John's facility for the 2006 program.

3. Tax Court Luncheon. Ron Charlebois reported that the luncheon held on June 8, 2005 with Judge Robert A. Wherry, Jr. was very successful, and included 38 attendees. Attendees included members of the Young Lawyers Section and law students. The next luncheon will be scheduled for February, 2006.

4. Directory. At the last meeting Joan R. Dindoffer indicated that the Directory has gone out to listserve members. There was nothing new to report for this meeting.

5. Michigan Bar Journal. At the last meeting Ron Charlebois mentioned that next tax theme issue is expected for December, 2006. Ron indicated that there was nothing new to report at this meeting.

6. Michigan Tax Lawyer. Tom Kenny indicated that the current issue was recently mailed. Paul Jackson has been named to replace Tom as editor for the 2005/2006 year beginning October 1, 2005.

7. Internet. Jeffrey DeVree indicated that all news has been posted. He mentioned that the State Bar staff has been responsive with maintenance and other issues. Chuck Lax suggested that the Tax Section establish a “members only” section of the web page, similar to other sections of the State Bar. This would require the dissemination of passwords and user names. Chuck suggested that the user-only section could be used for the Directory and the *Michigan Tax Lawyer* publications. Ron Charlebois also indicated that Committee Meeting announcements and handouts could be accessible to members. Jeff suggested that we could also make the Conference outline available to members.

8. Federal and State Tax Legislation. Eric Nemeth explained that he did not testify at a recent hearing regarding proposed SBT Reform as discussed at the last Council meeting. Eric learned after the last meeting that this hearing was not the appropriate forum for raising objections to a proposed sales tax on legal services.

Eric also mentioned that he recently met with Elizabeth Lyon, Paul Condino and Fulton Sheen of the Michigan legislature regarding current Michigan tax proposals, including the proposed sales tax on tax services. There was some feeling expressed at the meeting that Michigan’s tax system must adapt to the shift to a service economy, including a sales tax on services. Eric suggested that there is significant momentum for a new tax on services, including legal services.

Eric also indicated that the State Bar website now includes a brief primer on the proposed SBT reform legislation prepared by Eric, Alan Valade and Greg Nowak.

9. Membership Outreach. Henry Lee has indicated that there is nothing to report.

10. Annual Meeting. The annual meeting is scheduled for September 8, 2005 at the Skyline Club in Southfield, Michigan.

#### D. COMMITTEE REPORTS.

1. Business Entities. Eric Carver was not present and did not submit a report.

2. Employee Benefits. Warren Widmayer reported that an upcoming meeting will be held at the Lansing Clarion Hotel on July 26 featuring Tom Anderson of Pensco Trust Co. The topic will be investment in real estate by IRAs. Another meeting is scheduled for September 28 featuring Sal Tripodi of TRI Pension Services, Inc. This meeting will be held at the Sheraton Novi Hotel from 1:00 to 5:00. Warren indicated that Mr. Tripodi is a nationally recognized expert on employee benefits issues. Sal will

discuss recent developments with employee benefits. The cost of this program to the Section will be \$3,000 plus travel expenses.

3. Estates & Trusts. Fred Hoops indicated that a meeting is scheduled for September 21, 2005 featuring Richard Nino, who will discuss asset protection trusts. The cost of this program to the Tax Section is expected to be approximately \$2,500, which includes speaker fees and travel expenses.

4. Practice & Procedure. James Mauro was unable to attend the meeting, but submitted a written report of its recent activities. These activities included a March 2, 2005 joint meeting with the State and Local Tax Committee regarding the proposed restructuring of the rules of practice and procedure before the Michigan Tax Tribunal, and the Committee's participation at the Tax Conference. The next Committee meeting is scheduled for August 2, 2005. This meeting is scheduled to feature Mark Rizik of Miller Johnson, who will discuss tax refund cases in Federal Court. This meeting will be presented at each of the Dickinson Wright offices via video conference.

5. State & Local. Wayne D. Roberts submitted a written report that indicated that a Committee meeting was held in conjunction with the Tax Conference. The Committee's participation featured a morning "Michigan Tax Update" presented by June Summers-Haas, Esq., and an afternoon breakout session that discussed Michigan tax reform issues.

The Report also indicated that an impromptu meeting was held on May 9, 2005 to address concerns raised by members practicing in the property tax area regarding new procedural rules announced by the Tax Tribunal. The meeting included approximately 40 practitioners. The primary issue raised was the new requirement that both sides in a property tax appeal exchange appraisals early in the litigation process. Taxpayer representatives and taxing authority representatives all expressed concerns over these rules. Tax Tribunal Chairman Jack VanCoevering attended the meeting, and agreed to review the situation and pass along the practitioner concerns to other Tax Tribunal Judges. On June 8, 2005, the Tax Tribunal issued a news release that indicated that it is considering alternatives to Tribunal Notice 2004-8, which included the appraisal exchange requirement. Warren commented in his Report that this impromptu meeting was a good example of the flexibility and proactive nature of the SALT Committee in dealing with member concerns.

The next meeting of the Committee is expected to be held in January, 2006.

6. Probate and Estate Planning Section Liaison. Shirley Kaigler was not present and did not submit a report.

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

E. OLD BUSINESS.

Eric Nemeth indicated that he and Chuck Lax met with Jack VanCoevering to review the proposed Michigan Tax Tribunal Commission, which was discussed at our last meeting.

Chuck Lax indicated that only 1 ½ sections of the Policy and Procedure Manual need to be completed. Eric Nemeth stated that these sections must be completed by the Annual Meeting in September.

Chuck Lax also indicated that he met with Michelle Halloran regarding the Michigan State University College of Law Low Income Taxpayer Clinic. After some discussion, Chuck moved that the Taxation Section donate \$5,000 to the Clinic. This motion was seconded by Jay Kennedy, and unanimously adopted by the Council.

G. NEW BUSINESS.

None

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

Respectfully submitted,

Jay A. Kennedy  
Secretary