



WASHINGTON STATE BAR ASSOCIATION

Taxation Section

COUNCIL MEETING MINUTES – SEPTEMBER 16, 2016

Perkins Coie, 1201 Third Avenue, Suite 4900, Seattle

Persons in Attendance:

Tiffany Gorton - President

Richard Johnson - Treasurer

Vijay Gosalia - Secretary

Joe Terrenzio – WSBA Liaison

Kim Rosenmay – BOG Liaison

Emily Yamada – Pro-Bono

Sam Barnes – Website

Miriam Woods - SALT

Yessica Hernandez - Transactional

Brett Durbin – Legislative

Bob Mahon – At Large

Claire Taylor – IRS Liaison, Pro-Bono

Nick Nilan – IRS Liaison

Rob McCallum – At Large

Persons in Attendance by Telephone:

Jim Hunt - CLE

Corey Johnson – Immediate Past President

Darek Jarski – At Large

Jennifer Gellner – Newsletter

Allison Foreman - Scholarship

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- 8:00 a.m. The meeting was called to order.
 - A motion to approve the prior meeting minutes was made and passed.

Treasurer’s Report: There is a budget surplus for 2016 (\$7,300) despite expecting a loss of approximately \$600. The surplus is from not spending budgeted funds on reception expenses (\$4,000 savings), and only spending \$2,000 on section special projects. Budget for 2017 has been submitted and waiting for approval from the BOG.



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Individual Committee Reports

1. Legislative (Brett Durbin):
 - a. May work on projects related to pending tax bills at the request of the legislature or other interested parties. Looking to hold a committee meeting in November.
2. DOR Liaison (Jeff Mahan):
 - a. No report.
3. State & Local Tax (SALT) (Miriam Woods):
 - a. First meeting scheduled for September 22, 2016. Will discuss the I-732 carbon tax initiative. Will have three speakers in favor of the initiative. Working on the planning for a second meeting although topics have not yet been determined.
4. Estate & Gift Tax (Anna Cashman):
 - a. No report.
5. International Tax (Elizabeth Crouse & Megan Tahl):
 - a. No recent activity. Discussion on topics for the next meeting but no decision has been made yet.
6. Transactional Tax (Yessica Hernandez):
 - a. First meeting held on September 13, 2016. Debby Wong from Foster Pepper presented on tax considerations in dealing with real estate investment trusts. This was the last meeting for the year with the next meeting planned for January 2017.
7. IRS Liaison (Nick Nilan & Claire Taylor):
 - a. No committee meeting currently planned. Looking to hold a CLE brown bag on partnership rules but open to other topics. May look to hold a judges reception in February.
8. CLE (Jim Hunt):
 - a. Looking to hold a CLE on December 6, 2016 and topic may be regarding partnership audit rules and regulations. CLE will be 3-3.5 hours and open to additional topics. Would like to have 1-1.5 hour presentation on partnership rules and another 1-1.5 hour presentation on other topics yet to be decided on.
 - b. Bob Mahon suggested having a general Washington tax or estate tax update for the general and business practitioners.



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- c. Jennifer Gellner suggested asking Sam Donaldson to present; however, it's not clear if we can pay someone to present. Joe Terrenzio (WSBA) stated that we could pay a speaker to present in addition to reimbursing the person for expenses. Would need to be discussed and included in the budget.
 - d. Jennifer Gellner wants to know if the Tax Section would be interested in supporting a CLE/CPE to be held in the fall of 2017 in Spokane (Math & Tax?). The cost is \$5,000, however, not clear how much the section would want to contribute.
 - e. Tiffany Gorton stated that the organizers of the CLE also reached out to the Real Property Probate and Trusts Section, and suggested that the RPPT Section and the Estate and Gift Tax Section coordinate what the contribution to the CLE should be.
 - f. Jennifer Gellner and Jim Hunt will talk with the organizers of the CLE further to discuss the Tax Section's involvement with regard to any financial contribution or by assisting with planning the CLE. Will provide more information to the Tax Section at the next meeting.
 - g. Jennifer Gellner will look for prior budget of the CLE and the proposed agenda and will forward to Jim Hunt and Tiffany Gorton.
 - h. Richard Johnson stated that we do not have funds allocated for an additional CLE and that further discussion on the budget would be needed. Jennifer Gellner pointed out that this would be in next year's budget since the CLE would be in the fall of 2017.
9. Website (Adam Blake & Sam Barnes):
- a. No activity to report.
10. Young Lawyers (George Munro & Joe Terrenzio-WSBA liaison):
- a. The WSBA is going to appoint a Young Lawyer Liaison. Stated there are resumes that the WSBA has for candidates, and that the Section can make suggestions as to who they would like the WSBA to select. The purpose of the liaison is to assist sections with helping young lawyers, and look at events for young attorneys. Not as relevant to the Tax Section since there is a Young Lawyers Committee already in place. The Young Lawyer Liaison has to go through an application process with the WSBA. It's a two-year appointment. Bob Mahon indicated that it would be more productive to have the Tax Section's Young Lawyer Chair be the Liaison as opposed to one being assigned by the WSBA.



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11. Outreach/Scholarship (Allison Foreman):

- a. Have been in communication with the WSBA foundation and George Stone in the Finance office and working on getting the check there. Should be there in 1-2 weeks. Asks the Section if anyone wants to participate in the fundraising effort or if anyone wants to make a pledge.

12. Newsletter (Jennifer Gellner):

- a. Moved from hard copy newsletter to an email platform last year. Difficult to get them out timely due to the WSBA's oversight of the articles and the time it takes them to review. Jennifer Gellner posed the question to the Section as to whether the Section wants to continue with the email newsletter.
- b. Joe Terrenzio stated the standard for review is 10 business days.
- c. The budget is the same as last years (\$1,500).
- d. Will work with the email platform for another year to see if the kinks can be worked out with the system.
- e. Joe Terrenzio stated that the two primary things edited are email blast communications and (Coming from the WSBA to all Sections, i.e. annual meeting/election announcements) and newsletters. If the newsletter does not have a significant amount of content, then the review is quicker as apposed to articles that may be giving advice counter to the WSBA's position.
- f. Jennifer Gellner stated that most articles have not been changed by the WSBA and that the changes are minor.

13. Pro Bono Committee (Claire Taylor & Emily Yamada):

- a. Informed the Tax Section that the Tax Clinic at UW is looking for volunteers for Tax Court on Monday, and if interested can show up and work with John Clynch on assisting pro-se taxpayers.

BOG Financial Update:

- Final budget will be submitted for approval. Will also present to the BOG to consider a proposal for the license fees for the years 2018-2019(?). Since the referendum (2012) that reduced the fees the BAR had a large reserve. Currently have a below market price lease. Had \$9,000,000 in reserves and in 2012 decision was made to not invest it and to allow the reserves to be drawn down. Currently, the \$320 license fee was increase for



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2016-2017 to \$385. By the end of FY 2017 the reserves will be down to \$2,000,000. Bar fees for 2018 will be \$434 and just under \$450 for 2019 and \$458 for 2020 and this levels out the budget to maintain a \$2,000,000 liquidity reserve. The net increase in the number of attorneys in Washington is approximately 900. The BAR is estimating growth of 600 attorneys going forward.

- At the upcoming BOG meeting several proposals will be reviewed:
 - There is an amendment to the admission to practice rules. Have three different types of licenses and trying to consolidate for efficiency. Want to add three new board members from the public.
 - BOG is responsible for all Section actions and thus more oversight is needed.
 - Update to by-laws to protect from anti-trust legislation.
 - GR12 amendments
 - Planning a meeting on spiritual policy. Proposed draft would bar any kind of religious practice at any bar event with the exception of Indian religious practices.
- WSBA says they are afraid of anti-trust legislation. Richard Johnson asked when will the BOG release the memo on the anti-trust investigation. Stated BOG will not share with the Sections and as a policy will not release anything that is in an executive section. Richard Johnson questioned why the information is not shared with the Sections/Members.

MEETING ADJOURNED