

October 28, 2010

Alyce M. Spruell, Esq.
President
Alabama State Bar
415 Dexter Avenue
Montgomery, AL 36104

Re: Proposed Alabama Taxpayers' Bill of Rights II Legislation

Dear President Spruell:

On behalf of the American Bar Association ("ABA"), which has almost 400,000 members, I write to express our support for the portion of the proposed Alabama Taxpayers' Bill of Rights II legislation that establishes the new Alabama Tax Appeals Commission or "ATAC". We understand that the ATAC provisions substantially parallel the ABA's Model State Administrative Tax Tribunal Act ("Model Act")¹. I am writing this letter to you at the request of our Alabama contact, Bruce Ely, who is the principal author of the proposed legislation and also serves as Chair of the Legislative Review Committee of the Alabama State Bar Tax Section. As Chair of the ABA Section of Taxation, I have been authorized to express the ABA's views on this important topic.

We believe that passage of that portion of the proposed legislation which parallels the Model Act is of the utmost importance to the American Bar Association and its membership, as well as the taxpayers of the State of Alabama. Although the vast majority of the states has recognized the importance of and need for an independent tribunal to hear state tax disputes, there is still a group of states that have not institutionally separated the function of collecting state taxes from that of resolving taxpayer challenges to state tax determination. Alabama is one of those states.

Drafted by the State and Local Tax Committee of the ABA Section of Taxation and then approved by the ABA House of Delegates as the official policy of the ABA, the Model Act provides a legislative template and rationale for an independent tax tribunal. In addition, the Model Act incorporates a number of state court or tribunal "best practices," and allows input into the ATAC judge selection process not only by the Alabama State Bar but by the Alabama Department of Revenue, key legislators, members of the business and accounting community, and the Governor's office.

Prior to its adoption by the ABA in August 2006, the Model Act was reviewed by experienced practitioners of both law firms and accounting firms across the country, as well as by state departments of revenue, tax court and tribunal judges, legislators and legal scholars, and their comments were incorporated into the Act. The Model Act has been formally recognized or endorsed by the American Legislative Exchange Council, the National Conference of State Legislatures, the

¹ The Model State Administrative Tax Tribunal Act adopted by the ABA in August 2006 is available online at <http://www.abanet.org/leadership/2006/annual/dailyjournal/hundredone.doc>

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Council on State Governments and the Council On State Taxation. We also understand that the Alabama Department of Revenue has publicly stated its endorsement of the concept, although the final version of the bill is still being worked out.

Bruce Ely indicated that he has already delivered to you and your staff a copy of the Model Act and the accompanying report, but please don't hesitate to contact me if you have any questions or require further explanation. Thanks to you and the Board of Bar Commissioners for your favorable consideration.

Respectfully submitted,



Charles H. Egerton
Chair, ABA Section of Taxation

cc: Stuart M. Weintraub, Esq., Chair, State and Local Taxes Committee, ABA Section of Taxation
Bruce P. Ely, Esq., Chair, Legislative Review Committee, Alabama State Bar Tax Section
Christine A. Brunswick, Director, ABA Section of Taxation
Thomas M. Susman, Director, ABA Governmental Affairs Office