

## SECTION OF TAXATION

The Section of Taxation was established in 1921 as a five-man ABA Special Committee on Internal Revenue and Its Means of Collection. The Section's focus has remained constant since that time: to find innovative ways to improve federal tax law and its administration. Both the Section and the law have changed drastically. Landmarks for the Section include having been renamed the ABA Special Committee on Federal Taxation in 1924, and, in 1939, after much debate, becoming the ABA Section of Taxation.

As of March 31, 2010, Taxation had 15,806 lawyer members, 493 associates, and 5,272 law student members for a total of 21,587 members. Regular annual dues in 2010-11 were \$60 and total dues revenue for the year was \$840,000.

The Section of Taxation is dedicated to creating and maintaining an equitable tax system that can be fairly administered. The Section's work supports the integrity of the nation's voluntary system for tax reporting and payment. It evaluates the "simplicity, enforceability, fairness and probable effect of the tax system on economic, business and personal behavior...." However, Taxation does not speak on political and economic aspects of tax policy, such as special tax treatment designed to stimulate the economy, or on shifts in the tax burden among income groups. The Section's top projects include Tax Shelter Registration/Circular 230 and Tax Simplification issues, including repeal of the Individual Alternative Minimum Tax, simplifying Definition of Child, and addressing the myriad phase-out provisions of the tax code.

### **Contributions to Policy Making**

Many American taxpayers have lost their ability to understand and comply with the complexities of the laws governing taxation, as well as their respect for a tax system that increasingly makes them victims of unintended consequences. For this reason, Taxation has long advocated simplifying the nation's tax laws, and it continues to press lawmakers and policy leaders to simplify the code. The Section's leadership on this issue prompted the ABA Board to include tax simplification as one of the Association's top priorities.

Submission of written technical comments is one of the many ways the Section works to improve the tax law and tax system. By the middle of FY 2010-11, the Section submitted some 15 sets of technical comments to Treasury and the IRS on a wide range of subjects including Build America Bonds, Business Partnership Allocations, Form 990 for Tax Exempt Organizations, Wage and Withholding Issues in Employee Benefits and many others. In addition, the Section has sent comments to Capitol Hill regarding pending legislation, and to the Tax Court on administrative matters.

Study of and comment on future tax trends have occupied Taxation during its entire history -- as early as 1924, the ABA Special Committee on Federal Taxation debated the merits of simplifying revenue laws, and, as noted above, the Section continues to address that issue. Of the nearly 1,000 recommendations adopted by the ABA upon recommendation of the Section and its predecessor entities, about 140 continue in force

today. Taxation also now has a leadership role in educating the practicing bar about changes in tax law and in promoting public awareness of taxpayers' rights and responsibilities.

### **Task Forces, Special Projects and Committees**

Currently the Section is organized into 45 committees divided into more than 420 subcommittees and task forces, all working on specific projects including improvement of tax forms, more equitable pension benefits for the self-employed, privacy of tax collection, and introducing legislative guidelines for uniform taxation of fringe benefits.

### **Periodicals and Publications**

Tax analysis, carried out largely via committees, results in material made available to committee members. Analyses are published in two quarterlies -- the scholarly journal *The Tax Lawyer*, and the *Section of Taxation News Quarterly* -- and through single title publications, including:

- ◆ *The ABA Property Tax Deskbook* - a multi-jurisdictional resource for tax managers, attorneys, and accountants who specialize in state and local tax matters.
- ◆ *The Sales and Use Tax Deskbook* – a resource that provides tax managers, attorneys, and accountants with one reliable source for all information they are likely to need about state and local sales and use taxes.
- ◆ *Effectively Representing Your Client Before the “New” IRS: A Practical Manual for the Tax Practitioner with Sample Correspondence and Forms* – This two volume/CD-ROM set-including sample correspondence and forms, and hundreds of useful practice tips-is designed for attorneys, accountants, and enrolled agents in all stages of representation before the IRS in controversy matters, including exam, appeals, Tax Court, refund actions, and collection matters.
- ◆ *Careers in Tax Law* - Designed for those considering or beginning a career in tax, this informative guide presents a series of offerings—autobiographies in miniature—by a broad cross section of working tax professionals. Each contribution stands as a unique story of paths taken, choices made, and lessons learned. Each adds to a composite portrait of the profession and its possibilities for the next generation of tax lawyers.
- ◆ The Section has recently developed a **Monograph Series**, to supplement the Section’s current list with shorter practical guides (est. 200 pages) written by 1-2 authors and focused on selected tax law topics that are not otherwise covered in this quick-reference format in other ABA or non-ABA publications.

Public awareness of the federal tax system is promoted through articles prepared upon request for journals and magazines, continued outreach to and cooperation with other professional and public groups, and experts within the Section serving as resources to the media.

## **Continuing Legal Education**

Improving and expanding professional competence through CLE complements the analytical work of the Section. Taxation sponsors programs and seminars to highlight important changes in tax law. A major portion of each membership meeting is devoted to committee panel discussions on current tax law changes covering over fifty substantive topics. These membership meetings attract 1,000-1,400 national and international tax lawyers (our largest meeting each May, attract nearly 2,300 attendees). The Section also responds to major changes in federal tax law by cosponsoring workshops, national institutes, and teleconferences such as its “Last Wednesday” series.

In the fall of 2004, the Section launched a pilot traveling CLE series, “On the Road with Tax CLE.” The series is designed not only to provide a service to Section members, but also to recruit new members in geographical locations that do not typically host Section meetings. The meetings bring together nationally recognized speakers to discuss and field questions about the latest tax policy initiatives, regulations, legislative forecasts, and trends.

The Section also works with international bar groups to co-sponsor programs that focus on tax issues that affect lawyers doing business outside of the U.S. Our Tax Planning Strategies: U.S. and Europe Conference is in its 10<sup>th</sup> year, and the U.S. – Latin American Tax Planning Strategies Conference is in its 3<sup>rd</sup> year. We have plans to develop a Tax Planning Strategies Conference in Asia in 2012.

## **Goal IX Initiatives**

The Tax Section is committed to diversity and justice issues. The Section’s Committee on Diversity helps recruit, retain, and promote the involvement of women and minorities in the Section. Recent initiatives have included:

- ◆ ***Tax Section Meeting Programs*** – At Tax Section Meetings, the Diversity Committee and Young Lawyers Forum pair up to present a number of programs focusing on issues relevant to both groups. They also collaborate on a reception at each of our meetings, inviting young lawyers and law students who represent racial and ethnic minority groups and women.
- ◆ ***Legal Opportunity Scholarship Fund*** – This ABA program is meant to encourage racial and ethnic minority students - groups that are traditionally underrepresented in the legal profession - to attend law school. The Tax Section has committed to sponsoring a minority student scholarship that provides financial assistance throughout the student’s law school career. The Section tries to reach out to that student to encourage involvement in Section activities.
- ◆ ***Community Outreach Training Program***- The Tax Section co-sponsors, along with the ABA Section of Real Property, Trust and Estate Law, a Community Outreach Program (COP). The Program operates in urban areas, at the request of local minority and ethnic bar associations, to provide seminars on topics of interest. RPTE has held programs in New York City, Chicago, Los Angeles and

Washington, DC on issues involving real estate, probate and trust. With Tax Section participation, the topic areas are broadened with a goal of involving more minority lawyers in the tax practice.

## **Pro Bono**

The Section affirmed its commitment to increasing the *pro bono* activities of its members by formally establishing the Pro Bono Committee, and hiring a staff attorney dedicated to its activities. The committee serves as a catalyst and facilitator for *pro bono* activities in several areas, including tax return preparation for low-income taxpayers in conjunction with the IRS's Volunteer Income Tax Assistance (VITA) program, and support for Low Income Taxpayer Clinics (LITCs).

In 2007, the Section began a project, working with the **Military VITA** program at the IRS, to find ways for our lawyer members to get involved in training volunteers on tax issues so that they can help on military bases for the tax filing seasons. Section volunteers continue that work, and have provided service on military bases in the Washington, DC area.

The **Public Service Fellowship** program was developed in 2008 to reflect the Section's desire to advance public service efforts in tax law. The program annually awards up to two recent law school graduates or judicial clerks a fellowship to work for two years in a tax-related 501(c)(3) organization. Prospective fellows secure positions with public interest, non profit organizations, doing work that involves the administration of tax law. A Section committee then reviews applications and chooses up to two Fellows per year; the respective sponsoring organizations receive unrestricted grants from the Section that equal the Fellows' salaries, payroll taxes and benefits, commensurate with judicial clerkship salaries.

The Section has been working with the U.S. Tax Court to encourage State and Local Bar Associations to create and participate in bar-related tax court *pro bono* programs. Tax attorneys who volunteer for these programs help *pro se* taxpayers at calendar call navigate the unfamiliar process of calendar call, settlement negotiations and final trial preparation.

The Section has developed a website to match those volunteer members who are interested in helping low income taxpayers, with the LITCs that need assistance. The Pro Bono Opportunities page: <http://www.abanet.org/tax/probono/> provides ways for members to provide help where it is most needed.

The Section develops programs to help those taxpayers in need. In 2005, the Hurricane Katrina Task Force was established to address issues that arose in the aftermath of the storms in the Gulf coast region. In 2001, a 9/11 Task Force was assembled to help provide guidance to the IRS on several issues, including the work of charitable organizations and distribution of employee benefits.

## **Awards Programs**

In 2002, the Section established the Janet Spragens Pro Bono Award to be given annually to a lawyer or law firm that has demonstrated outstanding and sustained commitment to *pro bono* legal service, particularly with respect to federal and state tax law.

The Section's highest award, the Distinguished Service Award, is presented each year to a single lawyer in recognition of outstanding contributions to the ABA Section of Taxation, as well as to the tax system and tax education as a whole.

Each year, the Section names six Nolan Fellows. Nolan Fellows are young tax lawyers who have demonstrated an interest in the Section and are actively involved in its work. Each one-year fellowship includes the waiver of Meeting registration fees and assistance with travel to some Section meetings

The Section's Young Lawyers Forum sponsors an annual inter-law transactional planning and client counseling competition for law students. Launched in 2001, the annual Law Student Tax Challenge is the fastest growing inter-law transactional planning and client counseling competition in the country. In 2005, the competition expanded to include a division for LL.M. students in addition to the J.D. division.

## **Website**

The website gives lawyers quick access to resources that help them become more effective counselors. In addition to providing helpful information about Section membership, meetings, CLE programs, and periodicals, it also provides opportunities to join discussion groups and to register for meetings and programs online. A special section of the website, TaxIQ, developed with Thomson Reuters Tax & Accounting and West, a Thomson Reuters business, provides access to thousands of cutting-edge committee program materials presented at Section meetings. Access is provided to Section members only as a member benefit.

The Section continues to reach out to consumers through the media and through its public information website, *Tax Tips 4 U.org*. The site was created to provide consumers with continued access to information about their rights and responsibilities as taxpayers. It provides information on many issues, including: finding and working with a tax return preparer, tips for e-filing tax returns, charitable giving tips, and links to important IRS news releases and publications. In addition to helping taxpayers understand and comply with the tax laws, the site serves as a useful resource for members of the media working on tax-related news articles or features. Since its launch in late February 2002, *Tax Tips 4 U.org* continues to receive thousands of hits.

In recent years, the Section added audio and video news releases to its *Tax Tips 4 U* website. Those products include information on filing taxes in an economic downturn, information on charitable contributions, and changes to the tax code. The broadcast news releases have been widely distributed and picked up by stations around the country.

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