



Ronald A. Pearlman— 2010 Distinguished Service Award Recipient

By Susan P. Serota*

The Section of Taxation is pleased to honor Ronald A. Pearlman, a professor of law at the Georgetown University Law Center, as our recipient of the Section of Taxation's 2010 **Distinguished Service Award** in recognition of his lifelong contributions to the tax profession and the development of tax law and policy.

Born in Hamilton, Ohio, Ron received his B.A., with honors, from Northwestern University in 1962. He attended Northwestern University School of Law where he received his J.D. *cum laude* in 1965, graduating Order of the Coif and was a member of the Northwestern University Law Review. Following the advice of one of his tax professors at Northwestern, Ron turned down offers from major law firms to become an Attorney-Advisor in the Office of Chief Counsel (Interpretive Division) of the Internal Revenue Service. Ron describes this as a “fabulous beginning to my career.” While working at the Service, Ron somehow found the time to study at Georgetown Law where he received his LL.M. (Taxation). But even before his time at the Service and foreshadowing his time at the Joint Committee on Taxation, Ron was known for his budgeting skills. It is reported that when he and his wife, Hedy, went to Europe on their honeymoon, Ron made up his mind to do it on \$5 a day (then very much in vogue). Apparently, Ron took it to the extreme, i.e., any day he and Hedy spent \$6, the next day he insisted on spending only \$4.

After leaving the Service in 1969, Ron and his family moved to St. Louis, where Hedy had grown up, to practice law for the next 16 years with the Thompson & Mitchell (now Thompson & Coburn) law firm. While in St. Louis, Ron had his first taste of teaching law when he was an Adjunct Professor at Washington University School of Law for 11 years.

Tax policy, always a great interest of Ron's, beckoned to him when in 1983 he was offered first the position of Deputy Assistant Secretary (Tax Policy) at the U.S. Department of Treasury, and then in 1984, the position of Assistant Secretary (Tax Policy). When Ron went into Government, he understood from the beginning that it was never the person but always the job that was important. He was well aware that once he left Government, the authority he previously had would be in the past and that someone else would be the decision maker. Thus, his friends and colleagues say that he never took himself too seriously.

While Ron was at the Treasury, major changes and reforms in tax law were being considered. Ron had overall responsibility for development of the Department's 1984 tax reform proposals (“Treasury I”) and President Reagan's 1985 tax reform recommendations to the Congress. During the consideration of the Tax Reform Act of 1986 by the House of Representatives, he represented the Administration and was intimately involved in the tax legislative process. For his service at the Treasury, Ron was awarded the Alexander Hamilton Medal (the Treasury Department's highest award).

At the end of 1985, he left Treasury and returned to St. Louis and private practice. But Washington and tax policy beckoned once more just three years later when in 1988 he was offered the position of Chief of Staff of the Joint Committee on Taxation. Reluctant to

move his family again, he at first declined, even though Sen. Lloyd Bentsen (D. Tex.) and Rep. Daniel Rostenkowski (D. Ill.), respectively Chairs of the Senate Finance Committee and the House Ways and Means Committee, both tried to convince him to take the position. However, within 24 hours, he realized that he would always regret not taking the position. Ron spent the next three years at the Joint Committee where his integrity and his commitment to sound tax policy can be seen.

Ron's agenda as Chief of Staff—and the historic agenda of the Joint Committee—was not to serve the interests of a particular person or party, but rather to help Congress develop legislation based on accurate measurement of income and conscious, explicit, and transparent decisions about the level of taxation that is applied to that income. To be effective in the legislative setting requires gaining the trust and confidence of Members of Congress with widely divergent policy perspectives, levels of knowledge, and personal priorities. Ron was extraordinarily effective in dealing with Members across the political spectrum; he knew just how to provide both effective staff support that Members could rightfully expect, while at the same time making clear to them the merits (or defects) in their proposals when measured against generally accepted norms of taxation. This is not to suggest that sound tax policy always (or even most often) guided the ultimate shape of tax

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legislation; but rather that Members were able to make well-informed decisions about the policy options they chose and that the costs and relative impacts of those decisions were made explicit and public.

Ron was also required to deal with questions and proposals across the entire Code—often with little or no time to prepare and in a very public setting. Typically the Joint Committee's revenue table for any significant piece of tax legislation includes dozens of different provisions and in a mark-up of these bills, each Member of the tax writing committees could ask questions or offer amendments about any of these provisions. As Chief of Staff, Ron was required to address literally hundreds of questions often on the spot and without any advance preparation.

Stuart Brown, Ron's Deputy Chief of Staff, remembers that Ron was very adept at responding to new ideas. On one particular occasion when a very senior member of one of the tax writing committees offered a proposal in a late night strategy meeting, "the proposal was sufficiently complex and detailed that I guessed it was being advanced at the recommendation of an outside lobbyist, but it was so poorly explained by the Member, that I had no idea what was actually being proposed. While I don't remember his exact words, Ron's response was along the lines of—a very creative and novel approach, but so different from generally accepted norms of international taxation that it could substantially affect and undermine the international competitive position of the entire U.S. economy. While I doubted

that anyone else in the meeting actually understood the specific suggestion that had been offered, Ron's comment ended the discussion."

Ron's ability to provide immediate, useful, and understandable advice, about such a wide range of issues and proposals was systemically important for two reasons. First, of course, it helped determine whether particular provisions would or would not be enacted. And second, the cumulative impact of his performance served to enhance the standing of the Joint Committee and ultimately the degree to which principles of sound tax policy would have any role to play in the legislative process.

After leaving the Joint Committee, Ron became a tax partner at Covington & Burling in Washington, D.C., where he spent the next nine years until he retired from private practice. However, Ron's interest in tax law and policy was a magnet which drew him in 1999 to teach tax law as a full-time professor at Georgetown University Law Center and where he still remains a member of the faculty. From 1999-2002, he served as Director of the Law Center's Graduate Tax Program. He has also taught as the Austin Wakeman Scott Visiting Professor of Law at Harvard Law School (Fall 2002) and as a Lecturer at the Vienna University of Economics and Business Administration (June 2008), ISTAX Senior Course, Japan National Tax Administration, Tokyo, Japan (October 2003), and ESADE Law School, Barcelona, Spain (June 2000), among others.

Among Ron's many publications, the following stand out: *A Tax Reform Caveat: In the Real World, There Is No Perfect Tax System* in TOWARD

FUNDAMENTAL TAX REFORM 105 (Auerbach & Hassett, eds., AEI Press 2005); *Demystifying Disclosure: First Steps*, 55 TAX L. REV. 289 (2002); *Fresh From the River Styx: The Achilles Heels of Tax Reform Proposals*, 51 NAT'L TAX J. 569 (1998) and *Transition Issues in Moving to a Consumption Tax: A Tax Lawyer's Perspective*, in ECONOMIC EFFECTS OF FUNDAMENTAL TAX REFORM 393 (Aaron & Gale, eds., Brookings Institution Press 1996). A sequel to this paper was published in COMPREHENSIVE ANALYSIS OF CURRENT CONSUMPTION TAX PROPOSALS 17 (American Bar Association 1997).

During his long career in taxation, Ron also was active in professional organizations and advisory groups, including the ABA Section of Taxation, where he served as a member of Council and Vice-Chair (Government Relations). Stef Tucker, then Chair of the Section, recalls that Ron was both pragmatic and very knowledgeable as to the real workings of the Government, both in the legislative world and in the world of regulations and rulings. Ron retained a wonderful rapport with everyone with whom he worked in his Government service and their respect for Ron's views was always apparent. Ron also was a consultant to two tax policy projects of the American Law Institute and served as President of the American Tax Policy Institute. Ron has testified before Congress more than 30 times on tax policy matters.

Ron's outstanding career in government, academia, private practice, his service to the profession, his devotion to tax policy issues, and his dedication to the development of tax law, make him an exemplary recipient of the Section of Taxation's 2010 Distinguished Service Award. ■