



From the Chair

By Charles H. Egerton*

My column for this edition of the *NewsQuarterly* will address two important but unrelated topics. Each year, the incoming Chair of the Tax Section holds a leadership retreat with the Section's officers, Council members, and staff to set priorities for the coming year. One of the top priorities that we agreed upon at our retreat last summer was the need to increase the Tax Section's visibility and participation in the tax legislative process. Little did we realize that a major opportunity would present itself early this year in the form of a bipartisan push to achieve comprehensive tax reform. In keeping with this recently established priority, my first topic will be the announcement of the largest comments project undertaken by the Section in many years as we prepare recommendations to Congress for achieving tax reform in a variety of areas of the Code.

At the request of several Section members, the second portion of my comments will be devoted to an explanation of the annual process for selecting officers and Council directors.

Tax Section Committees Commence Work on Comments to Congress Outlining Options to Achieve Major Tax Reform

At the Midyear Meeting of the Tax Section this past January in Boca Raton, Florida, the Section issued a request to each of the 30 Section committees whose jurisdiction includes either substantive or procedural areas of the Code to submit comments to Congress outlining options for tax reform in their respective areas.

The prospects for comprehensive tax reform received a significant boost from the report issued in December by the National Commission on Fiscal Responsibility and Reform, which called for comprehensive tax reform as one of the central components of a plan to restore fiscal responsibility to our nation. One month later, the National Taxpayer Advocate issued her annual report to Congress in which she listed the need for comprehensive tax reform as the number one priority for the tax system this year. Both the House Ways & Means Committee and the Senate Finance Committee have begun hearings on tax reform, and the Obama Administration

has weighed in on the need to address tax issues in the Code that it believes are currently hampering U.S. businesses from competing effectively in the global economy.

It is much too early to predict whether or not a major reform of the Code will occur. If prior history is any indication, all of the stars must align in the form of strong presidential leadership and a bipartisan commitment to put aside enormous political pressure from those who benefit from the current tax law in order to achieve a meaningful reform of the Code. Despite the odds, momentum is clearly building to tackle this formidable task.

In light of these developments, we believe that the Tax Section should make its voice heard early in this process with the hope and expectation that we are in a unique position to offer insights into both the substantive and procedural areas of taxation that are most in need of reform as well as to suggest practical options for achieving these reforms.

Each committee was asked to identify those Code sections within its primary jurisdiction that were the most problematic. For those that were identified, we posed the following questions:

- Are there ways to simplify these provisions, reduce ambiguities and still accomplish the legislative purpose?
- Can we reduce or eliminate redundancies?

- Are there provisions that no longer serve a significant purpose and that should be eliminated?
- Are there provisions that are patently unfair in their application or largely inadministrable?

Each of the committees was then tasked with the responsibility of developing reasonable options to address each of these concerns. The overarching goal of each of our recommended options is to make our nation's tax laws simpler, fairer and easier to administer. We view this as a unique opportunity to participate in reshaping our nation's tax laws. We anticipate that, through the good work of our committees and with the assistance of the Section's officers, Council directors and the members of the project steering committee, we can make a significant contribution to this very important process.

Process for Selection of Section Officers and Council Directors

Most members of the Tax Section who regularly attend Section meetings are readily familiar with the Section's committees. The formula for involvement in most of the Section's committees is quite simple: attend meetings on a regular basis; volunteer to work on committee projects and participate in CLE presentations; do a good job on the work you undertake on behalf of the committee; and gain the respect of your

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peers. This time honored approach to becoming involved in committee activities has been followed by almost all of those who ultimately worked their way into positions of leadership within their chosen committees. The process for moving from committee leadership to Section leadership is perhaps lesser known and will be the focus of this last portion of my Article.

The affairs of the Tax Section are supervised and controlled by its Council. The Council, which serves as the “board of directors” of the Section, consists of the officers of the Section, the immediate past Chair, the Section’s two delegates to the ABA House of Delegates and 15 at-large members of Council. The Section’s two delegates to the ABA House of Delegates are appointed by Council. All other members of Council are elected in accordance with the process that I will describe below.

The process for selecting Section officers and Council directors begins with the appointment of a Nominating Committee as required under Article VI of the Section’s Bylaws. Members of the Nominating Committee are appointed by the incoming Chair of the Section. The Bylaws provide that no more than 20% of the members of the Nominating Committee may consist of persons who are currently serving on Council. Most of those appointed to the Nominating Committee have risen through the ranks of committee leadership and have previously served as the chair of one of the Section’s committees. The Nominating Committee is chaired by a prior Chair of the Section. The names and contact information for each of the members of the Nominating Committee are set forth on the Section’s website.

In each fiscal year of the Section, the Nominating Committee is required to put forth a slate of nominees at the Midyear Meeting of the Section consisting of a Chair-Elect, such number of Vice-Chairs as may be determined by Council, a secretary, an assistant secretary, and the number of Council directors who will be

needed to replace those directors whose terms will expire. The Nominating Committee holds two official meetings, one at the Fall meeting of the Section and the other at the Midyear Meeting. However, the Committee may also have additional meetings by conference call as may be necessary to complete its work.

This time honored approach to becoming involved in committee activities has been followed by almost all of those who ultimately worked their way into positions of leadership within their chosen committees. The process for moving from committee leadership to Section leadership is perhaps lesser known and will be the focus of this last portion of my Article.

The pool of candidates from whom nominees for new Council directors are selected consists of all members who completed their terms as chairs of Section committees within the ten prior fiscal years of the Section. On occasion, the pool may also include persons who have recently left the Service, Treasury, or the staffs of the tax writing committees of Congress, as well as persons who may have previously served as either the secretary or assistant secretary of the Section but who have never had the opportunity to serve as a Council director. Although the primary criteria

applied by the Nominating Committee in selecting nominees for the position of Council director are a demonstrated knowledge of the tax law, leadership capacity, and a track record of accomplishments for the Section, a number of additional factors, such as areas of practice, geography, gender, ethnicity, sexual orientation, or other relevant factors are also considered.

The positions of secretary and assistant secretary are generally reserved for up-and-coming young members of the Section who have demonstrated exceptional work ethic and leadership ability at an early stage in their Tax Section careers.

Those who are considered for possible service as Vice-Chairs of the Section are almost always drawn from persons who have previously served as Council directors or who have been prior Section officers. Finally, in order to be considered for the position of Chair-Elect, a person must have previous service as a Vice-Chair and have served in other leadership capacities on behalf of the Section.

As noted above, the slate of officers and Council directors nominated by the Committee is officially announced at the plenary session at the Section’s Midyear Meeting. Other nominations may be made for any or all of these positions by petition signed by at least 15 members of the Section and filed with the Chair or secretary of the Section not later than April 1 prior to the Annual Meeting (which is generally held in early August of each year). The final elections take place at the Annual Meeting.

Based upon my prior experience, I believe that this process has functioned well for the Section over the years. The members of the Nominating Committee take their responsibilities very seriously and spend a great deal of time and effort in arriving at their final selections. If any member has any questions regarding this process, I would be happy to answer them as best I can. ■