

REPORT #866

TAX SECTION

New York State Bar Association

ANNUAL REPORT

For the year ended January 23, 1996

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NEW YORK STATE BAR ASSOCIATION

TAX SECTION

ANNUAL REPORT

January 23, 1996

NEW YORK STATE BAR ASSOCIATION
Tax Section Executive Committee for 1995-1996

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Continuing Legal Education and Pro Bono Damian Hovancik Deborah H. Schenk	Net Operating Losses Stuart J. Goldring Robert A. Jacobs	Reorganizations Patrick C. Gallagher Mary Katherine Wold
Corporations Katherine M. Bristor Deborah Lynn Paul	New York City Taxes Robert J. Levinsohn Robert Plautz	Tax Accounting Erika W. Nijenhuis Jodi J. Schwartz
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Estates and Trusts Georgiana J. Slade Carlyn S. McCaffrey	New York State Sales and Miscellaneous Maria T. Jones Joanne M. Wilson	Tax Exempt Entities Michelle P. Scott Jonathan A. Small
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MEMBERS-AT-LARGE OF EXECUTIVE COMMITTEE

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NEW YORK STATE BAR ASSOCIATION

TAX SECTION

ANNUAL REPORT

For the year ended January 23, 1996

As the out-going Chair of the Tax Section it is my privilege and pleasure to present the Annual Report of our 1995-96 term, the 47th year of the Tax Section of the New York State Bar Association.

In the past year our members continued their high level of service to the Tax Section, supporting and promoting the development of sound and equitable tax policy and administration. The Executive Committee convened at 11 regular and 3 special meetings to consider several dozen reports on a wide variety of tax issues. Our unique process of vetting proposed reports at monthly meetings of our Executive Committee, together with the consistently high quality of the draft reports presented and the ensuing discussion, forge final reports that reflect both technical excellence and balanced analysis. The reputation and influence of the Tax Section is enhanced by this approach to commenting on tax issues: I am proud to report that our contributions to the betterment of the tax law were specifically recognized this year on the floor of the United States Senate when Senator Moynihan, introducing his bill to amend the federal tax treatment of foreign trusts, noted that among the extensive comments he received regarding this proposal he "would like to thank in particular the Tax Section of the New York State Bar Association for their detailed analysis. A tremendous amount of work went into their submission, prepared on request and within a very short period of time." The same observations could have been made about any number of this year's reports.

During the 1995-96 year the Tax Section submitted over forty reports, letters and memoranda on federal, state and local tax issues; these are summarized below, as are the meetings of representatives of the Tax Section with tax officials in Washington, Albany and New York City. The subject matters on which we commented ranged from macro-issues (such as testifying before Congress on the indexation of basis for inflation) to micro-issues (such as commenting on the City's audit procedures for attributing corporate expenses). The breadth of our members' expertise is reflected in the wide range of issues on which we commented; by marshaling the talents and experience of numerous practitioners in a variety of subject matter areas, we were, as in past years, able to address a kaleidoscope of tax issues with a consistently high level of insight.

FEDERAL TAX LEGISLATION

The federal legislative process during this year was unusual, reflecting both volatility and stalemate. The subjects on which we commented reflected this unique legislative climate. The Tax Section submitted comments on a variety of substantive proposals to amend the tax law that first surfaced in 1995. These included the proposals to tax individuals expatriating from the United States and to change the tax treatment of foreign trusts; the proposed changes in the tax treatment of corporate redemptions; and certain technical aspects of tax legislation proposed by the Clinton Administration in December, including the tax treatment of certain long-term debt instruments and instruments payable in stock, the allocation of corporate interest under section 265, the treatment of preferred stock as boot, changes to NOL carryback and carryforward periods, taxation of subchapter S conversions, and amendments precluding like-kind exchanges of foreign and domestic personalty.

We also suggested legislation in several areas, including the classification of workers as employees or independent contractors, and the need for reforms to section 956A. We reiterated comments made in earlier years on the large partnership simplification proposal and on a proposal to impose tax on foreign 10% shareholders. We urged approval of treaties and protocols pending before the Senate Committee on Foreign Relations. Finally, we commented on certain procedural legislation under consideration in Congress, opposing a proposal to shift the burden of proof in tax cases, and commenting on a proposal to limit the retroactivity of federal regulations.

FEDERAL REGULATORY AND ADMINISTRATIVE
PROPOSALS

In addition to our comments on pending federal legislation, the Tax Section also submitted letters and reports commenting on various administrative proposals. We took an early and active role in supporting and developing the IRS mediation proposals, submitting formal comments on the IRS proposal, testifying in Savor of mediation, and conferring informally with IRS officials as the proposal developed. We also submitted an extensive report on the "check-a-box" entity classification proposal suggested in Notice 95-14. This Notice suggested a revolutionary approach to the tax treatment of entity classification, and one that would greatly simplify this important area of the tax law. We will continue to follow this development with great interest.

In the corporate area, we submitted comments on proposed regulations regarding basis in triangular regulations, on proposed regulations regarding transactions in the stock of the parent of a consolidated group, and on issues in the

reorganization area that should be addressed in future revenue rulings. In the partnership area we commented on proposed regulations under Sections 704 and 737, and proposed regulations regarding the application of self-employment taxes to members of LLCs. In the area of financial instruments we commented on the proposed regulations on contingent payment debt instruments and on proposed regulations under section 1092, and submitted a report on issues presented by interest strips in securitization transactions. We also commented on issues relating to the substantiation of charitable contributions, on proposed regulations regarding the application of the passive loss rules to real estate professionals, and on the proposed private activity bond regulations, and considered a report on the proposed treatment of "lease strips" recently announced in Notice 95-53.

As is to be expected, not all of our comments were adopted in final regulations, and there will be areas in which we and the government simply agree to disagree. Overall, however, a great proportion of our commentary is reflected in the final product, and I am confident that even in those areas where our recommendations are not followed, the process of commenting, of raising questions and debating issues, is a necessary and important part of good government, for it is through this debate that problems come to light, positions come to be understood, and informed choices can be made.

STATE AND LOCAL TAXATION

New York State and New York City are the second and fourth largest taxing jurisdictions in the country, and as an arm of the New York State Bar Association the Tax Section has a particularly important role to play in the consideration of State

and City tax issues. Over the past year we continued to be active in this area. Early in the year the Tax Section submitted comments on tax proposals included in the Governor's Budget Bill. We also helped draft and strongly support the enactment of legislation that would complement the 1994 City UBT legislation with additional reforms addressing certain real estate, securities and credit carryover issues. The legislation proposed in 1995 enjoys widespread support, both within and without government, and we hope it will be enacted in the near future.

The Tax Section commented on two proposals to enact federal legislation relating to state taxation. In the area of sales taxes, we commented on the "Bumpers Bill" proposals to enact federal legislation permitting states to impose sales and use tax collection obligations on out-of-state vendors. We also commented on legislation, recently signed by the president, precluding states from taxing nonresidents' retirement income. Federal legislation affecting state taxation is emerging as an interesting and important corner of the tax law and an area in which the Tax Section, with its blend of federal and state tax expertise, seems particularly qualified to comment.

In commenting on proposals for administrative guidance we submitted reports on proposed New York State and City regimes for attributing corporate noninterest expenses, on proposed City transfer tax regulations regarding tiered entities, on the need for guidance in identifying sales tax nexus, and on problems of multistate residency. We also urged Governor Pataki to exempt from his State regulations moratorium regulations issued to interpret the tax laws, emphasizing that such regulations are needed to provide the business community and their advisors with guidance regarding the interpretation of the State's tax statutes. Our concerns were prominently noted in the Department

of Taxation and Finance Report on Regulatory Reform - and we will no doubt continue to press for regulations in the many areas of State and City taxation where guidance is needed.

MEETINGS WITH GOVERNMENT OFFICIALS

As is our annual practice, early in the year the officers of the Tax Section traveled to Washington, D.C. to meet with officials and staff at the Treasury Department, the Internal Revenue Service, the Joint Committee on Taxation, and the Senate Finance and House Ways & Means Committees. A number of our officers and members also made special trips to Washington to discuss particular subjects, several members of the Executive Committee participated in the IRS Regional liaison meeting in June, and over the course of the year officers and members conferred with our government counterparts by telephone on dozens of occasions as various proposals were developed and refined.

Our officers and certain members also traveled to Albany to meet with the New York State Commissioner of Taxation and Finance and his staff, and we also met with the New York City Commissioner of Finance, and his staff, in Manhattan. In addition, representatives of the Tax Section participated in a number of State and City task forces and working groups, including on the reform of the unincorporated business tax, on changes to the alternative tax on income-plus-compensation, on attribution of corporate expenses, and on issues affecting the City Tax Tribunal.

SECTION MEETINGS

The summer meeting of the Tax Section was held in Cooperstown, New York, on the weekend of July 21-23, 1995. That meeting featured four panel discussions covering (1) constitutional issues in state taxation, (2) "hot topics" in the foreign area, (3) recent developments affecting reorganizations, and (4) an overview of proposals for overhauling or replacing the federal tax system. Our luncheon speaker was Kenneth J. Kies, Chair of Congress' Joint Committee on Taxation, and we were privileged also to enjoy the company and insights of a number of other government representatives including Treasury's International Tax Counsel and New York State's Deputy Commissioner and Counsel.

In November the Tax Section co-sponsored a two-day "New York State and City Tax Institute" in Manhattan, the first such institute to be presented by the Tax Section. This program featured over a dozen government speakers, and covered a wide variety of topics.

Our Annual Meeting was held on Tuesday, January 23, 1996, at the Marriott Marquis in New York City, in conjunction with the annual meeting of the New York State Bar Association. Our luncheon speaker was Dr. Lawrence Summers, Deputy Secretary of the Treasury. In addition, as set forth in the attached program, we presented five panel discussions, including a panel discussion of recent federal legislative developments featuring the Senate Majority Tax Counsel, the House Minority Tax Counsel, and the Administration's Tax Legislative Counsel.

The participation of so many high-ranking government officials in our meetings and programs reflects not only the willingness of these officials to meet and confer with members of the tax community, but also the importance of our Tax Section in that community. We are privileged to enjoy their participation, and we thank them for their contributions to our organization.

CONCLUSION

The Tax Section's work continues to distinguish it as a group that can be counted on to provide timely, thoughtful and informed commentary that emphasizes the integrity of the tax law, rather than the special interests of any particular group. This past year has been another productive chapter in our history, and I thank you for the opportunity to serve as your Chair.

I am particularly grateful for and admiring of the skills and contributions of our Executive Committee, and of the fellow officers with whom I served, John A. Corry, Peter C. Canellos, Michael L. Schler, Richard L. Reinhold, Richard O. Loengard, Jr. and Steven C. Todrys. Their personal and professional support have been invaluable to me, and to this institution. I leave you now in the talented hands of Rick Reinhold, confident that our Section will grow in membership, stature and reputation as we turn to new and ever more challenging issues under the tax law.

Appendix I

NEW YORK STATE BAR ASSOCIATION

1995 TAX SECTION REPORTS

REPORT NUMBER	PRICE	REPORT
817	2.00	Report on <u>Certain Issues Under Code Section 108(c)</u> together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Michael Schler dated January 10, 1995
818	3.50	Report on <u>Issues to be Addressed in Regulations Under Section 197</u> prepared by the Committee on Cost Recovery together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Michael Schler dated January 13, 1995.
819	2.50	Memorandum regarding <u>Comments by the Tax Section on Proposed New York Estates, Powers and Trusts Law Amendment</u> from Michael Schler dated April 5, 1994 together with a cover memos to John A. Williamson, Jr., Associate Executive Director, New York State Bar Association and cover memo to New York State Bar Association Tax Section Executive Committee dated January 13, 1995.
820	1.50	Letter dated January 19, 1995 to Hon. Bob Dole, United States Senate and Hon. Newt Gingrich, Speaker of the House, House of Representatives from Michael Schler regarding <u>Legislative Restrictions on Tax Regulations.</u>
821	2.50	Letter dated January 19, 1995 to Hon. Bill Archer, House of Representatives from Michael Schler regarding <u>Tax Basis Indexing Provisions of H.R. 9.</u>

- 822 3.50 Memorandum and report regarding Report on "Excess Principal Amount" of Securities Under Section 356 from Michael Schler dated January 31, 1995 to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Dept. of the Treasury, Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service, Kenneth J. Kies, Chief of Staff, Joint Committee on Taxation, Mark Prater, Chief Tax Counsel, Senate Finance Committee, Joseph H. Gale, Minority Tax Counsel, Senate Finance Committee, James B. Clark, Chief Tax Counsel, House Ways & Means Committee and John Buckley, Minority Tax Counsel, House Ways & Means Committee
- 823 3.00 Report on Notice 94-93 ("Inversion Transactions") and Rev. Proc. 94-76 ("downstream Reorganizations") prepared by the Committee on Corporations together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Michael Schler dated January 31, 1995.
- 824 6.00 Memorandum to NYSBA Tax Section Executive Committee regarding Contract with America Indexation Hearings from Carolyn Joy Lee dated February 17, 1995 together with Michael Schler's January 25, 1995 Statement at the hearing before the House Ways & Means Committee, February 7, 1995 supplement to the Statement and Michael Schler's State at the February 16, 1995 hearing before the Senate Finance Committee.
- 825 1.50 Letter dated February 6, 1995 to Robert King, Director, Office for Regulatory Management and Assistance from Carolyn Joy Lee regarding Moratorium on State Regulations.
- 826 1.00 Comments on Proposed Appeals Mediation Procedure Announcement 95-2 together With a cover letter to Hon. Margaret Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated March 15, 1995.

- 827 2.00 Report on Governor's 1995-1996 Budget Proposals together with a cover letter to Hon. Michael H. Urbach, Commissioner, Department of Taxation and Finance from Carolyn Joy Lee dated March 17, 1995.
- 828 .50 Letter dated February 24, 1995 to Howard M. Schoenfeld, Esq., Internal Revenue Service, Employee Plans and Exempt Organizations (CP:E) from Carolyn Joy Lee regarding Substantiation of Charitable Contributions Under Code Section 170(f) (8)
- 829 1.50 ANNUAL REPORT of the Tax Section dated January 24, 1995.
- 830 .50 Letter dated March 27, 1995 to Hon. Don Nickles, United States Senate and Hon. David M. McIntosh, House of Representatives from Carolyn Joy Lee regarding H.R. 450 and S. 219 and Treasury Regulation §1.701-2.
- 831 1.50 Memorandum dated March 27, 1995 to the Members of the House Ways & Means Subcommittee on Oversight from Carolyn Joy Lee regarding H.R. 831 - Proposed Legislation Relating to the Taxation of Expatriation.
- 832 1.00 Memorandum dated March 23, 1995 to the Members of the House Ways & Means Subcommittee on Oversight from Carolyn Joy Lee regarding H.R. 390 - Burden of Proof in Tax Cases.
- 833 3.00 Report on Proposed Consumer and Main Street Protection Act of 1995, formerly the Tax Fairness for Main Street Business Bill (Sales Tax on Out-of-State Venders) prepared by the Committee on Multistate Tax Issues together with cover letters to Hon. Dale L. Bumpers, United States Senate Office Building, Hon. Bob Graham, United States Senate, Hon. Bob Packwood, Chairman, Committee on Finance, United States Senate, Hon. Orrin G. Hatch, Chairman, Subcommittee on Taxation, United States Senate, Hon. Daniel P. Moynihan, United States Senate, Hon. Henry J. Hyde, Chairman, Committee on the Judiciary, House of Representatives, Hon. Bill Archer, Chairman, Committee on Ways and Means, House of

Representatives, Hon. Nancy L. Johnson, Chairwoman, Subcommittee on Oversight, House of Representatives, Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury, Hon. Margaret Richardson, Commissioner, Internal Revenue Service, Kenneth J. Kies, Chief of Staff, Joint Committee on Taxation, Hon. Michael H. Urbach, Commissioner, Department of Taxation and Finance and Hon Joseph Lhota, Commissioner, New York City Department of Finance from Carolyn Joy Lee dated April 5, 1995.

- 834 8.50 Report on Proposed Regulations Concerning The Treatment of Contingent Payment Debt Instruments prepared by the Committee on Financial Instruments dated May 11, 1995 together with cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury from Carolyn Joy Lee dated May 15, 1995.
- 835 2.00 Letter dated May 26, 1995 to Hon. Sheldon Silver, Speaker, New York State Assembly, Hon. Joseph L. Bruno, Majority Leader, New York State Senate, Hon. Herman D. Farrell, Jr., Chair, Ways & Means Committee, New York State Assembly, Hon. Ronald B. Stafford, Chair, Finance Committee, New York State Senate, Hon. Roy M. Goodman, Chair, Investigations, Taxation & Government Operations Committee, New York State Senate from Carolyn Joy Lee regarding New York City Unincorporated Business Tax Reform.
- 836 .50 Letter dated May 26, 1995 to Hon. Jesse Helms, Chair, Committee on Foreign Relations, United States Senate from Carolyn Joy Lee urging the Senate Foreign Relations Committee to approve the income tax treaties and protocols with Canada, France, Kazakhstan, Mexico, Sweden and Ukraine that are now pending before it.
- 837 1.00 Letter dated May 25, 1995 to Beth A. Kaswan, Esq., Deputy Commissioner for Legal Affairs, New York City Department of Finance from Carolyn Joy Lee regarding Proposed Amendment to Rules relating to the New York City Real Property Transfer Tax.

- 838 2.00 Report on Proposed Regulation Section 1.469-9 Relating to the Application of the Passive Loss Rules to Certain Rental Real Estate Activities dated June 9, 1995 together with cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated June 9, 1995.
- 839 5.00 Report on Proposed Legislation on expatriation and foreign trusts together with cover letter to Hon. Daniel P. Moynihan, United States Senate, Committee on Finance from Carolyn Joy Lee dated June 15, 1995.
- 840 .50 Letter dated July 14, 1995 to Honorable George E. Pataki from Carolyn Joy Lee regarding Regulatory Reform.
- 841 .50 Letter dated June 28, 1995 to Honorable Sheldon Silver, Speaker, New York State Assembly from Carolyn Joy Lee regarding A. 8170, S. 3424-B - Proposed Reforms to the New York City Unincorporated Business Tax.
- 842 6.00 Report on Proposed Regulations Regarding Private Activity Bonds together with a cover letter to The Honorable Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated July 20, 1995.
- 843 5.00 Report on Code Section 956A dated August 1, 1995 together with a cover letter to The Honorable Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated August 4, 1995.

- 844 2.00 Report on Proposed Regulations Defining Publicly-Traded Partnerships together with a cover letter to The Honorable Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated August 15, 1995.
- 845 6.50 Report on the "Check the Box" Entity Classification System Proposed in Notice 95-14 dated August 30, 1995 together with a cover letter to The Honorable Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated August 31, 1995.
- 846 2.00 Report on Regulations Under Sections 358, 1032 and 1502 Concerning Stock Basis Adjustments in Triangular Reorganizations prepared by the Committee on Reorganizations dated September 18, 1995 together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated September 18, 1995.
- 847 2.50 Report on Proposed Regulations 1.704-4 and 1.737-1 through 1.737-5 prepared by the Committee on Partnerships dated October 2, 1995 together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated October 2, 1995.
- 848 1.00 Letter dated October 2, 1995 to Honorable Bill Archer, Chairman, Committee on Ways and Means, House of Representatives from Carolyn Joy Lee regarding Legislation Limiting Retroactive Regulations.

- 849 1.00 Letter dated October 2, 1995 to Honorable Bill Archer, Chairman, Committee on Ways and Means, House of Representatives from Carolyn Joy Lee regarding Large Partnership Simplification Proposal.
- 850 1.00 Letter dated October 5, 1995 to Honorable Bill Archer, Chairman, Committee on Ways and Means, House of Representatives from Carolyn Joy Lee regarding Taxation of Certain Extraordinary Dividends - Proposed Amendment to Code Section 1059.
- 851 2.00 Report on Proposed Regulations Section 1.1092(d)-2 dated October 6, 1995 together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and The Honorable Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated October 6, 1995.
- 852 3.00 Report on Proposed Reforms to Administration and Enforcement of Employment Tax and Income Taxes on Individual Workers together with a cover letter to Hon. William V. Roth, Jr., Chairman, Committee on Finance, United States Senate, Hon. Daniel P. Moynihan, United States Senate, Committee on Finance, Hon. Bill Archer, Chairman, Committee on Ways and Means, House of Representatives, Hon. Sam M. Gibbons, House of Representatives, Committee on Ways & Means, Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury, Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service and Mr. Kenneth J. Kies, Chief of Staff Joint Committee on Taxation from Carolyn Joy Lee dated October 17, 1995.
- 853 1.50 Report on Taxation of U.S. Stock Gains of Foreign Shareholders and Limitation on Treaty Benefits Provisions together with a cover letter to Hon. William V. Roth, Jr., Chairman, Committee on Finance, United States Senate, Hon. Daniel P. Moynihan, United States Senate, Committee on Finance, Hon. Bill Archer, Chairman, Committee on Ways and Means, House of Representatives, Hon. Sam M. Gibbons, House

of Representatives, Committee on Ways & Means, Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury, Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service and Mr. Kenneth J. Kies, Chief of Staff. Joint Committee on Taxation from Carolyn Joy Lee dated November 9, 1995.

- 854 1.00 Letter dated November 9, 1995 to Hon. Sam M. Gibbons, House of Representatives, Committee on Ways & Means, Hon. William V. Roth, Jr., Chairman, Committee on Finance, United States Senate, Hon. Daniel P. Moynihan, United States Senate, Committee on Finance, Hon. Bill Archer, Chairman, Committee on Ways and Means, House of Representatives, Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury, Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service and Mr. Kenneth J. Kies, Chief of Staff, Joint Committee on Taxation from Carolyn Joy Lee regarding Limitation on State Taxation of "Retirement Income".
- 855 1.50 Report on Proposed Regulations Regarding Deductibility, Substantiation and Disclosure of Certain Charitable Contributions together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated November 9, 1995.
- 856 1.50 Report on Proposed Regulations Relating to Self-Employment Tax Treatment of LLC Members together with a cover letter to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee dated November 17, 1995.
- 857 2.50 Report on Administration's December 1995 Tax Proposals together with a cover letter to Glen A. Kohl, Esq., Tax Legislative Counsel, Department of the Treasury from Carolyn Joy Lee dated December 22, 1995.

- 858 4.00 Report on Corporate Expense Attribution together with a cover letter to Hon. Michael H. Urbach, Commissioner, Department of Taxation and Financing and Hon. Alfred C. Cerullo, III, New York City Department of Finance from Carolyn Joy Lee dated December 22, 1995.
- 859 1.00 Letter dated December 29, 1995 to Hon. Leslie B. Samuels, Assistant Secretary (Tax Policy), Department of the Treasury and Hon. Margaret M. Richardson, Commissioner, Internal Revenue Service from Carolyn Joy Lee regarding Revenue Ruling 95-69, I.R.B. 1995-424.

Checks should be made payable to New York State Bar Association Tax Section and report request directed to:

Barbara J. Mahan
Tax Section Liaison
New York State Bar Association
One Elk Street, Albany, New York 12207

Appendix II

Programs

A. SUMMER PROGRAM, THE OTESAGA HOTEL, JULY 21-23, 1995

FRIDAY, JULY 21

4:00 p.m. Registration - Hotel Lobby
6:30 p.m. Welcoming Reception - Veranda
7:30 p.m. Dinner - Fenimore Dining Room

SATURDAY, JULY 22

7:30 a.m. Buffet Breakfast - Main Dining Room
8:00 a.m. Registration - Hotel Lobby
9:00 a.m. General Session - Ballroom

Nexus and Other Constitutional Issues in State and
Local Taxation

Panel Chair: Walter Hellerstein

University of Georgia Law School
Athens, Georgia

Speakers: Joseph H. Guttentag Carlyn S. McCaffrey
International Tax Counsel Weil, Gotshal & Manges
Department of the Treasury New York City
Washington, DC

Philip R. West
Steptoe & Johnson
Washington, DC

12:30 p.m. Attorneys' Luncheon - Fenimore Dining Room
 Speaker: Kenneth J. Kies
 Chief of Staff, Joint Committee on Taxation
 Washington, DC

12:30 p.m. Spouse/Guest Luncheon - Large Glimmerglass Room
 A story teller will be on hand for the children.

6:00 p.m. Cocktail Reception - Fenimore House Museum

7:30 p.m. Dinner Dance - The Otesaga Hotel Ballroom

SUNDAY, JULY 23

8:00 a.m. Registration - Hotel Lobby

8:00 a.m. Executive Committee Breakfast Meeting - Fenimore
 Dining Room Open to all attorneys and
 spouses/guests

9:30 a.m. General Session - Ballroom
 Current Developments in Corporate Reorganizations

Panel Chair: Steven C. Todrys
 Kramer, Levin, Naftalis, Nessen, Kamin & frankel
 New York City

Speakers: Patrick C. Gallagher Eric Solomon
 Kirkland & Ellis Internal Revenue Service
 New York City Deputy Associate Counsel
 (Domestic)

Washington, DC

Mary Katherine Wold
 Shearman & Sterling
 New York City

The Flat Tax and Other Uprootings-What is being
 considered, and what does it mean?

Panel Chair: Peter v.Z. Cobb
 Fried, Frank, Harris, Shriver & Jacobson
 New York City

Speakers: David H. Brockway Elizabeth Garrett
Dewey Ballantine Assistant Professor of Law
Washington, DC University of Chicago Law
School

Chicago, Illinois

James W. Wetzler
Deloitte & Touche LLP
New York City

12:30 p.m. Lunch - Main Dining Room
Departure

B. ANNUAL MEETING, NEW YORK MARRIOTT MARQUIS, NEW YORK CITY,
JANUARY 23, 1996

8:30-8:45 a.m. BUSINESS MEETING AND ELECTION OF OFFICERS

9:00-10:20 a.m. PARTNERSHIPS AND REAL, ESTATE ISSUES- "CHECK
THE BOX," LEASE STRIPS, AND OTHER CURRENT
ISSUES

PANEL CHAIR:

LARY S. WOLF

Roberts & Holland LLP

New York City

PANELISTS:

WILLIAM B. BRANNAN

Cravath, Swaine & Moore

New York City

PAUL, F. KUGLER

Assistant Chief Counsel

Pass Throughs and Special Industries

Internal Revenue Service

Washington, DC

ROBERT D. SCHACHAT

Wein, Malkin & Bettex

New York City

MICHAEL D. THOMSON

Deputy Tax Legislative Counsel

United States Treasury Department

Washington, DC

10:40 a.m. - 12:00 p.m. ISSUES IN STATE AND LOCAL, TAXATION

PANEL CHAIR:

MARIA T. JONES

Rosenman & Colin

New York City

PANELISTS:

ROBERT E. BROWN

Boylan, Brown, Code, Fowler, Vigdor Director Tax Law Division
& Wilson, LLP
Rochester

ELLEN E. HOFFMAN

New York City Department of finance
Brooklyn

HOLLIE L. HYANS

Morrison & Foerster
New York City

STEVEN U. TEITELBAUM

Deputy Commissioner and Counsel
New York State Department of
Taxation and Finance
Albany

9:00 - 10:20 a.m. CONSOLIDATED RETURNS-RECENT DEVELOPMENTS
AFFECTING MERGER AND ACQUISITION TRANSACTIONS

PANEL CHAIR

MICHAEL L. SCHLER

Cravath, Swaine & Moore
New York City

PANELISTS:

PATRICK C. GALLAGHER
Kirkland & Ellis
New York City

ANN-ELIZABETH PUKINTUN
Kronish, Lieb, Weiner & Hellman
New York City

DAVID WEISBACH
Attorney Advisor
Office of Tax
Legislative Counsel
United States Treasury
Department
Washington, DC

10:40 - 12:00 p.m.

FINANCIAL, INSTRUMENTS AND TRANSACTIONS

PANEL CHAIR:

DAVID P. HARITON
Sullivan & Cromwell
New York City

PANELISTS:

ERIKA NIJENHUIS
Cleary, Gottlieb, Steen
& Hamilton
New York City

CLARISSA POTTER
Attorney Advisor
Office of Tax Legislative
Counsel
United States Treasury
Department
Washington, DC

JODI J. SCHWARTZ
Wachtell, Lipton,
Rosen
& Katz
New York City

DUTCH TREAT RECEPTION AND LUNCHEON

12:00 p.m. DUTCH TREAT RECEPTION - Broadway Ballroom Foyer,
6th Floor

12:30 p.m. LUNCHEON - Broadway Ballroom, 6th Floor

ANNUAL, REPORT TO THE TAX SECTION
CAROLYN JOY LEE
Chair, Tax Section

LUNCHEON SPEAKER:

HONORABLE LAWRENCE H. SUMMERS
Deputy Secretary of the Treasury
Washington, DC

AFTERNOON PROGRAM

Marquis Ballroom A, B & C, 9th Floor

2:30 - 4:00 p.m. FEDERAL LEGISLATIVE DEVELOPMENTS-1995-96
BUDGET RECONCILIATION LEGISLATION, OTHER
PENDING LEGISLATION, AND FEDERAL TAX REFORM

PANEL, CHAIR:

DEBORAH L. PAUL,
Benjamin N. Cardozo School of Law
Yeshiva University
New York City

PANELISTS:

JOHN L. BUCKLEY
Democratic Chief Tax Counsel
House Ways and Means Committee
Washington, DC

CHARLES I. KINGSON
Willkie Farr & Gallagher
New York City

GLEN A. KOHL,
Tax Legislative Counsel
United States Treasury Department
Washington, DC

MARK A. PRATER
Majority Chief Tax Counsel
Senate Finance Committee
Washington, DC