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*The 71st Annual*
# Tax Institute

**December 8 & 9, 2011**
Minnesota CLE Conference Center

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## Date & Location

**Minneapolis –**
**December 8 & 9, 2011**
**Minnesota CLE Conference Center**
Seventh Street & Nicollet Mall
Third Floor City Center
Minneapolis

## TO REGISTER:

**MAIL FORM TO:**
Minnesota CLE
2550 University Ave. W.
Suite 160-S
St. Paul, MN 55114

**FAX TO:**
651-227-6262

**GO ONLINE:**
www.minncle.org

**OR CALL:**
651-227-8266 or
800-759-8840

## QUESTIONS?

Call **651-227-8266** or **800-759-8840**.

Or, visit us online at **www.minncle.org.**

*Co-presented by Minnesota CLE and the MSBA Tax Law Section*

You will have the chance to win great prizes, including an **Apple iPad!**

*The 71st Annual*
# Tax Institute

**You don't have to be a tax law professional to benefit from the Tax Institute!**

Whether you advise clients directly on tax law or simply need to alert them to potential concerns, the Tax Institute – with its mix of **plenary sessions and 14 timely breakout sessions** – is the easiest way to make sure you are up-to-date on the tax issues affecting your practice.

*You will also have the opportunity to earn an hour toward both your* ***ethics*** *and* ***elimination of bias*** *credit requirements!*

**This year's special guest speaker is:**

**Myron Frans,** Minnesota's Commissioner of Revenue, who will address attendees at our **Tax Institute Luncheon on Day 1 at the Radisson Plaza Hotel Minneapolis**. Join Commissioner Frans as he updates you on the latest developments and initiatives coming from the Minnesota Department of Revenue.

And you won't want to miss the annual **Tax Institute Reception on Day 1** (at the Minnesota CLE Conference Center) featuring complimentary cocktails and hors d'oeuvres plus your chance to win **great prizes including an Apple iPad!**

**Thursday & Friday, December 8 & 9, 2011**
Minnesota CLE Conference Center | Seventh Street & Nicollet Mall | Third Floor City Center | Minneapolis

# Schedule

## Day 1
## Thursday, December 8, 2011

8:15 – 8:45 A.M.
CHECK-IN & CONTINENTAL BREAKFAST

8:45 – 9:00 A.M.
### Welcome & Introduction
– *Allison W. Leppert*
*MSBA Tax Law Section Chair*

9:00 – 10:30 A.M.
### Federal Business Tax Law Update
The past year's statutory, regulatory and judicial business tax developments that are of particular interest to the tax practitioner.
– *Stacy D. Rubsam & Timothy Stoeger*

10:30 – 10:45 A.M.
BREAK

10:45 – 11:45 A.M.
### Federal Individual Update
The recent issues impacting individual taxation, including legislative, regulatory and case law developments. Opportunities and pitfalls associated with these developments will be highlighted, with emphasis placed on proactive steps to achieve the best results for the taxpayer.
– *Stacy D. Rubsam & Timothy Stoeger*

11:45 A.M. – 1:15 P.M.
INSTITUTE LUNCHEON
RADISSON PLAZA HOTEL MINNEAPOLIS

12:15 – 1:00 P.M.
LUNCHEON PRESENTATION

### Developments at the Minnesota Department of Revenue
Information and insights from new Commissioner Myron Frans about the directives and initiatives he is overseeing at the Department.
– *Myron Frans*
*Commissioner of Revenue*
*Minnesota Department of Revenue*

1:15 – 2:15 P.M.
BREAKOUT SESSION A

1 **Impact of the New Health Care Legislation on Closely-Held Businesses**
The Patient Protection and Affordable Health Care and Reconciliation Acts will undoubtedly affect individuals throughout the American economy. The focus of this presentation is on their impact on tax and other planning for the closely-held business. The increased self-employment/FICA tax on upper income individuals, as well as the new Medicare tax on unearned income, will obviously affect choice of entity and other tax planning. However, the complex new rules intended to drastically increase the number of individuals covered by health insurance will also have an impact on the design and implementation of virtually all employer fringe benefit programs. The goal of this presentation is to provide an overview and approach on how to handle these new issues, including the dizzying array of transition rules.
– *Thomas J. Nichols*

2 **International Business Tax Issues**
This session will cover a broad range of key international tax concepts for business including alternative U.S. ownership structures of foreign operations and entities, deferral of earnings and anti-deferral regimes such as Subpart F, U.S. foreign tax credits, and transfer pricing concepts. Examples will be focused on real world issues that arise for emerging and mid-sized businesses that are entering foreign markets or acquiring foreign operations.
– *Jason Fritts & Jonathan Hobbs*

3 **Elimination of Bias in Tax Planning for Same-Sex Couples**
*1.0 elimination of bias credit applied for*
This segment will educate lawyers about the elimination of bias and prejudice in the administration of federal tax law as it relates to same-sex couples. Due to the Defense of Marriage Act (DOMA), same-sex couples in marriages, committed relationships, or domestic partnerships are not treated the same as heterosexual married couples under the federal tax code. Tax benefits, filing statuses, exemptions, and anti-abuse provisions intended to recognize the non-"arms-length" nature of a marital relationship are not applicable to same-sex couples, and often result in tax disparities. Attorneys must advise their clients within the boundaries of current tax law; however, they can work to eliminate bias for same-sex coupled clients by utilizing income and transfer tax strategies designed to take advantage of the treatment by state and federal tax laws of same-sex partners as unrelated individuals.
– *Beverly Luther & Karen Sandler Steinert*

2:15 – 2:30 P.M.
BREAK

2:30 – 3:30 P.M.
BREAKOUT SESSION B

4 **Transfer Tax (Estate, Gift and GST) Update**
An update on developments in the estate planning field, with an emphasis on tax matters.We will review the recent changes to the federal and state transfer tax systems, and planning for the certainty that this will continue to change. The presentation will include an overview of significant statutory and case law developments in the transfer tax aspects of estate and trust planning and administration, and the challenges of a decoupled federal and Minnesota state transfer tax system.
– *Scott M. Nelson*

5 **S Corporations – Update and Planning Opportunities**
An analysis of the most current regulations, rulings, cases and legislation that affect S corporations and subsequent planning opportunities.
– *Jack W. Carlson*

6 **Collection Issues – Offer in Compromise**
The goal of this session is to give attendees a comprehensive foundation they can use to represent their clients when submitting Offers in Compromise (OICs) to the Internal Revenue Service and Compromise Applications (CAs) to the Minnesota Department of Revenue. The session will address the following topics: what are OICs and CAs; types of OICs and CAs; when are OICs and CAs appropriate; how to prepare and submit OICs and CAs; strategic and ethical considerations when submitting and negotiating OICs and CAs; and, options for proceeding when an OIC or CA is denied. The panel of presenters will consist of two representatives from the taxing authorities and two private practitioners.
– *Jill S. Eicher, Michael E. O'Brien,*
*Ron Swagel & Benjamin A. Wagner*

3:30 – 3:45 P.M.
BREAK

3:45 – 4:45 P.M.
BREAKOUT SESSION C

7 **The Basics of Income Taxation of All Types of Trusts**
What is a trust, what are the various types of trusts, and how they are created and taxed as a separate income paying entity will be discussed at an introductory to intermediary level.
– *Marcia E. Urban*

8 **Partnership and LLC Update**
This session will review and discuss the past year's tax law changes, new regulations, cases and pertinent rulings that impact entities taxed as partnerships and LLCs. The discussion will focus on how these changes might impact the typical small and middle market businesses being served by most practitioners.
– *Joseph F. Schlueter*

4:45 P.M.
### Institute Reception!
Join us for complimentary food, drinks, and **great PRIZES including an Apple iPad**! The prize drawing will be held at approximately 5:00 p.m. You must be present to win.

## Day 2
## Friday, December 9, 2011

8:00 – 8:30 A.M.
CONTINENTAL BREAKFAST

8:30 – 9:45 A.M.
### Minnesota Tax Law Update
An overview of the major tax changes from this year's legislative session as well as significant Minnesota tax cases and policy developments.
– *Dale H. Busacker & Tamar N. Gronvall*

9:45 – 10:00 A.M.
BREAK

10:00 – 11:00 A.M.
BREAKOUT SESSION D

9 **Significant Multistate Sales Tax and Income Tax Developments**
This discussion will highlight recent sales and income tax developments. Included will be an update on changes to the corporate tax regimes in Connecticut, California, District of Columbia, Illinois, and Michigan, as well as other states. There will also be a review of selected significant sales and income tax litigation along with a discussion of the "Amazon" and affiliate nexus rules enacted by various states.
– *Daniel P. Bartholet & Robert M. Eperjesy*

10 **Benefits and Executive Compensation – Tips & Traps for the Unwary**
This session will review key issues in several areas in executive compensation, including Code Sections 162(m), 280G and 409A. We will also highlight benefit issues that can arise in the context of mergers and acquisitions. Participants are encouraged to ask questions or bring examples for an interactive discussion.
– *Eric Gonzaga & Debra J. Linder*

11 **Income Tax and Real Estate: Issues Resulting from the Economic Downturn**
The presenters will address cancellation of debt income, debt modification, workouts, and other financial considerations associated with owning (or losing) real estate in a down economy.
– *Gina B. DeConcini & Paul J. Linstroth*

11:00 – 11:15 A.M.
BREAK

11:15 A.M. – 12:15 P.M.
BREAKOUT SESSION E

12 **Pitfalls and Planning for Related Party Transactions**
A discussion of related party reorganizations and asset transfers.
– *Patrick J. Butler & Jeffrey Vogel*

13 **Ethics and the Tax Attorney: Why Do Good Tax Attorneys Do Bad Things?**
*1.0 hour ethics credit applied for*
Why do good tax attorneys do bad things and break the law or act unethically? Is it because they are bad people or is something else afoot? This ethics presentation explores the dynamics of unethical behavior, drawing upon case studies and real life examples to determine why bad behavior happens. The session will also offer suggestions on how to avoid falling into ethical traps.
– *David A. Schultz*

14 **Forming and Maintaining Basic Tax Exempt Organizations for Friends and Family**
The speakers will walk through an example of the actual formation documents for a Minnesota nonprofit corporation, the IRS application for tax exempt status as a 501(c)(3), and basic rules for maintaining tax exempt status. This segment is intended as a "how to" for forming very small 501(c)(3) organizations for those who do not practice in the nonprofit area, and is geared toward helping those who are asked to provide pro bono help to small charities, arts organizations, sports and booster teams, and similar "friend and family" outreach projects.
– *Gina B. DeConcini & Stacy Lindstedt*

# Faculty & Planners

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# About the Institute

### CREDITS
Minnesota CLE will be applying to the Minnesota State Board of Continuing Legal Education for **9.5 hours of CLE credit**. Minnesota CLE has applied for **1.0 hours of ethics credit for breakout session #13** and for **1.0 hours elimination of bias credit for breakout session #3**. If you claim ethics or bias credit for this course, you must deduct those special credits from the 9.5 hours of "standard" credit. (For example, if you attend session #13, you may claim a maximum of 8.5 standard credits and 1.0 hours ethics credit for a total of 9.5 credits.) In no case can you claim more than **9.5 total credits** for this seminar.

### CANCELLATION / NO-SHOW POLICY
Paid registrants who cancel their registration at least 72 hours before the program will receive a full credit on their account; if fewer than 72 hours, a $25 administrative fee will be deducted. Paid registrants who fail to attend will receive the written materials. Passholders may purchase the materials at 50% of the full retail price.

### ACCOMMODATION
If you have a disability and need an accommodation in order to attend, please contact Minnesota CLE as soon as possible at 2550 University Avenue West, Suite 160-S, Saint Paul, MN 55114 or call us at 651-227-8266 or 800-759-8840.