



## Former Treasury Official Concerned Over IRS Budget Cuts, Limits on Tax Regulations

*By Jessica Jeane, Congressional Tax Reporter & Analyst, and as originally appearing in CCH Federal Tax Day*

Former Treasury Deputy Assistant Secretary Robert Stack discussed IRS resources and tax regulations at the Federal Bar Association's 41st Annual Tax Law Conference in Washington, D.C. on March 3. Stack expressed criticism of the Trump Administration's recent proposals to cut IRS funding and inhibit regulations.

### IRS Resources

The IRS's budget, as allocated by Congress, has been shrinking or stagnant for years. According to Stack, the Trump Administration is proposing to further cut IRS funding by over a billion dollars. "The possibility of such further cuts should set everyone's hair on fire in this room, IRS and non-IRS," Stack said at the FBA tax conference.

Stack questioned the notion behind "wrecking the institution" that collects federal revenue. "I beg the tax community to raise the issue of resources for the IRS in every meeting, with every member of Congress, on whatever subject, so we can get back to where we need to be - to be able to raise the revenue and to support the institutions of this great country," he said.

Stack noted Treasury Secretary Steven

Mnuchin's support for additional IRS resources. "All of us in the tax community must resolve to find ways to support Secretary Mnuchin and Commissioner John Koskinen ... in their constructive efforts to be sure the IRS has the resources it needs," Stack said.

### Regulations

Stack also questioned the Trump Administration's January 30 executive order, "Reducing Regulations and Controlling Regulatory Costs" as it applies to tax regulations. This order essentially requires a two-for-one swap, in that with every one new regulation issued, at least two prior regulations must be identified for elimination.

"I feel pretty confident that the executive order will not meaningfully inhibit the tax regulation writing process," Stack said. He emphasized the important role often given by Congress to regulations during the enactment of certain tax statutes that require further explanation by Treasury. "Our system could not operate without the regulation writers," Stack said.

**FORMER continued on page 2**

## Message from the Chair Christine S. Hooks

Greetings, members of the Federal Bar Association Section on Taxation. I have the honor of serving as Chair of the Section for the 2016–2017 fiscal year. The Section's year is off to a strong start. Beyond the Beltway, we hosted A Conversation with Judge Vasquez in Dallas in November, and networking events in Atlanta and Miami in March. Inside the Beltway, we hosted our annual Careers in Tax Law panel in March. As always, our Women in Tax Law and Young Tax Lawyers groups continue to host regular networking events, and our Tax Practice and Procedure Roundtable provides monthly discussion of the latest developments in tax controversy.



Most recently, we held a record-breaking Tax Law Conference, which boasted over 620 registrants attending nearly forty panels. We've received many rave reviews on the breadth and depth of the programming. Special thanks go to co-chairs Anne Gordon and Scott Dinwiddie, and vice chair Travis Greaves, whose tireless efforts made the conference so successful.

As we head into spring, we are hold-

**CHAIR continued on page 2**

### IN THIS ISSUE

41st Annual Tax Law Conference . . . . .	3
2017 Donald C. Alexander Tax Law Writing Competition . . . . .	4
Kenneth H. Liles Award for Distinguished Service . . . . .	5
Social Events . . . . .	6
"Stars Have Aligned" for Tax Reform in 2017, Way and Means Chief Tax Counsel Says . . . . .	7
Section on Taxation Leadership . . . . .	8



### ***Upcoming conference: 2017 Insurance Tax Seminar***

The 29th Annual Insurance Tax Seminar is scheduled for June 1-2, 2017 at the J.W. Marriott, 1331 Pennsylvania Avenue, NW, Washington, DC. You may register for the Seminar on the Federal Bar website at [www.fedbar.org/InsTax17](http://www.fedbar.org/InsTax17). The website also contains information about this year's program including reduced rates at the J.W. Marriott.

Highlights of the program include a keynote address by Barbara Angus, Chief Tax Counsel, House Ways and Means Committee, and a plenary session about Corporate Tax Reform which includes Mark Prater, Chief Tax Counsel, Senate Finance

Committee and former Treasury officials. Other notable panels will discuss audit issues facing all types of insurance companies, updates on health care and international tax reform, current issues in reorganizations, relevant issues in deferred compensation and employee benefits, and updates from the IRS Insurance Branch on the insurance specific items on the IRS Priority Guidance Plan. The Seminar not only features panelists who provide updates on those tax issues relevant to insurance companies, but it provides ample opportunity to network with other tax professionals and IRS personnel interested in insurance tax issues. Last year, we had over 500 attendees including speakers. Please join us at this year's Seminar! ☘

### **FORMER continued from page 1**

Stack proposed a hypothetical scenario where the Treasury Secretary tells Congress the agency cannot write regulations on an ACA replacement tax mechanism because it could not identify two other regulations to eliminate. "I would fully expect that the good people of the White House, Office of Management and Budget (OMB) and Treasury will come to the conclusion that, at least with respect to this executive order, tax regulations are different." On April 21, President Trump signed an executive order,

"Identifying and Reducing Tax Regulatory Burdens." According to Trump, the directive is the "first step" toward comprehensive tax reform that reduces rates, provides middle class tax relief, and lowers business taxes. The directive instructs the Treasury to review all significant tax regulations issued on or after January 1, 2016, to further identify all those that impose an undue financial burden on taxpayers, add undue complexity to Federal tax laws, or exceed the IRS's statutory authority. ☘

### **CHAIR continued from page 1**

ing a number of networking and continuing education events both inside and beyond the Beltway. From networking events with U.S. Tax Court Judges in Chicago and New York, to co-hosting a Young Tax Lawyers Symposium with the ABA Section of Taxation, we have a full schedule planned. And, of course, the 29th annual Insurance Tax Seminar will take place on June 1-2 at the J.W. Marriott in Washington, D.C. This premier conference will discuss the latest developments affecting the taxation of insurance companies and insurance products, including the status of corporate tax reform. I hope to see you

at one of these upcoming events this spring.

Finally, whether or not you are a regular attendee of our events, I'd like to encourage you to get more involved in the Section. Nominations for next year's officer positions will open in June. To get a sense of the various positions available, please see the list of officers included in this issue of Inside Basis. If you have any questions about a particular position, please feel free to reach out to me anytime.

I look forward to continuing a productive year and hope you enjoy this issue of Inside Basis. ☘

## 41st Annual Tax Law Conference

The FBA's Section on Taxation held its 41st Annual Tax Law Conference on March 3, 2017, in Washington, D.C. Anne R. Gordon, PwC, and Scott Dinwiddie, IRS Office of Chief Counsel, served as the Co-chairs of the conference along with Travis Greaves, Greaves | Wu, who served as Vice Chair. Consistent with the past several years, the Conference has continued to grow and boasted nearly 40 panels and over 600 attendees this year. This year's conference added a symposium on Gift and Estate Tax, included a collaborative panel on the Section 385 regulations, and featured hot topics including Presidential Transition in the Treasury Department and DOJ. Tax; Federal Excise Tax Overview and Update: Gas, Guns & Alcohol; and The Future of Tax Policy and IRS/DOJ Enforcement Efforts in the Cannabis Industry. Former Deputy Assistant Secretary for International Tax Robert Stack delivered the keynote address on the future of the tax system and the need for reform. Chief Judge of the U.S. Tax Court, L. Paige Marvel, delivered featured remarks about access to the Tax Court – includ-

ing the expansion of the Calendar Call programs, which provide legal assistance to unrepresented taxpayers; the Congressional expansion of the Tax Court's jurisdiction; and recent changes to the Tax Court Rules. The Conference was addressed by featured speaker Thomas West, Legislative Tax Counsel at the Department of the Treasury, currently designated the responsibilities of the Assistant Secretary for Tax Policy. The robust line-up of speakers supplemented a vast array of panels during which practitioners offered helpful tools on dealing with the IRS and Department of Justice. Several panels, including the Legislative Update featuring key professional staff from both the Senate and House of Representatives, offered thoughts on recent changes to the tax code as well as prognostication on the potential for tax reform. The Conference was capped off with the presentation of the Kenneth H. Liles Award to IRS Commissioner John Koskinen, who provided heart-felt remarks on his career in public service and bestowed his award to the IRS employees for their hard work and dedication to the IRS mission. ☘



## 2017 Donald C. Alexander Tax Law Writing Competition

The Donald C. Alexander Tax Law Writing Competition is named in honor of former IRS Commissioner (1973-1977) Don Alexander, who passed away in 2010. Mr. Alexander was a widely admired role model and advocate for writing skills and style in the area of tax law throughout his career.

On March 3, 2017, the Section on Taxation recognized the winners of the Donald C. Alexander Tax Law Writing Competition at the Section's annual conference in Washington.

Colleen Green is the recipient of an Honorable Mention for her paper, titled, "The Analysis of Tax Ownership in 21st Century Contract Manufacturing Arrangements." After spending more than a decade working with Fortune 500 companies on federal taxation issues, Colleen accepted a scholarship to the University of Colorado Law School in 2013 and is finishing her coursework this semester at the Antonin Scalia Law School in Arlington. After graduating in May, Colleen hopes to find a job with the federal government. Colleen's free time currently is consumed by her three kids (ages 14, 11, and 4 months), but she looks forward to gardening, reading, and live music after she takes the bar exam this summer.

Jessica Wilson (pictured) is the recipient of the Second Place Award for her paper, titled, "The Devil in the Details: How the Complexity, Costs and Uncertainty of Treasury Regulations Encourage Corporate Inversion." Jessica is currently a 2L at UC Hastings College of the Law pursuing a tax concentration. Prior to Hastings, she had never taken a tax or accounting course, but became fascinated after taking the basic federal income tax course. Furthering this interest in tax, she spent her 1L summer interning for Chief Counsel



in San Francisco; has since taken all tax courses offered at her law school; and hopes to pursue a career in corporate and international tax law.

David Berke is the recipient of the First Place Award for his paper, titled, "RIC Taxation & Shareholder Activism in Closed-End Funds." David Berke received his BA from Columbia University in 2012 and will receive his JD from Yale Law School in May. This fall, he will start as an associate in the DC Tax Group of Skadden Arps. Before law school, he was an analyst at a New York investment bank. ☘

### ***New Resource for Section Members***

The Section is pleased to announce that we have created a new resource for members. To leverage on the Section's extensive network of tax professionals with diverse backgrounds and levels of experience, we are now offering a Q&A hotline. Members can submit questions to the Section's new email address, [fbataxlaw@gmail.com](mailto:fbataxlaw@gmail.com), and one of the Section's membership co-chairs will match the sender with another member of the Section who will respond. Our new hotline is available for asking questions related to career advice, getting involved in the FBA or the tax law community in general, advice for new attorneys, and other relevant questions. Members who wish to submit questions should send an email to [fbataxlaw@gmail.com](mailto:fbataxlaw@gmail.com) with their name, years in practice, their question(s), and any other information that will help us match you up with another Section member. We are also seeking volunteers who are interested in answering questions that are submitted! We hope you take full advantage of this exciting new resource that the Section is offering!

### ***Bloomberg BNA Tax and Accounting Invites Article Submissions on Tax Topics***

Bloomberg BNA Tax and Accounting is seeking insightful and timely articles for publication in our tax journals. We publish practitioner analysis and commentary on all tax topics, including international tax; real estate and pass-through entities; estates, gifts and trusts; compensation planning; and corporate income tax. The Bloomberg BNA tax journals are included on Bloomberg BNA's Tax and Accounting Center, Bloomberg Law and the Bloomberg terminal. If you would like to submit an article for review or discuss possible topics, please contact Andrea L. Ben-Yosef or Dolores Gregory at [taxarticles@bna.com](mailto:taxarticles@bna.com).

## Kenneth H. Liles Award for Distinguished Service

By *Kaitlin Pais*

On March 3, Commissioner Koskinen received the Kenneth H. Liles Award for Distinguished service from the Federal Bar Association (FBA). This annual award is the FBA Section on Taxation's highest honor. It's awarded to an individual whose career has exemplified the highest standards of tax practice and who has made significant contributions to federal tax policy and the administration and functioning of the tax system.

This recognition comes three and a half years into Commissioner Koskinen's tenure as IRS Commissioner. Ryan Kelly (immediate past chair of the FBA Section on Taxation and currently an attorney for IRS Chief Counsel) presented the award. Commissioner Koskinen told conference attendees that he still feels as honored and privileged as he did on the first day he took on this role, working for an agency that touches virtually every American.

He went on to say that the best part of his job has been working with IRS employees and executives saying, "I've now talked to over 22,000 IRS employees and hosted more than 80 town halls. I've never done a town hall without learning something."

"It's a privilege and an honor for me to simply have the responsibility of being the commissioner. In many ways, what I would like to have known at the end of this is, I accept this award very appreciatively, however, I really accept it on behalf of the IRS employees.



They're the ones who have gotten us through this last three and a half years with spirit, with energy and enthusiasm, in spite of the slings and arrows that have come our way and so, on behalf of all the IRS employees, I thank you for this great award."

Commissioner Koskinen praised the FBA's ongoing outreach and continuing education efforts through its annual tax conference. He acknowledged the "tremendous amount of benefit at the IRS from our partnerships" with groups like the FBA's Section on Taxation, noting the IRS executives and employees in attendance at the conference. "We need to know what's going on in the

world, what we can learn, what we can do better," he said, thanking the FBA for their contributions to this perspective.

The Kenneth H. Liles Award for Distinguished Service is bestowed in honor of Kenneth H. Liles who was an attorney with the IRS before practicing law at Sutherland Asbill & Brennan LLP in the early 1950s. Later, Mr. Liles founded the modern day Federal Bar Association Section of Taxation. He was known for his warm, outgoing personality, ever-present smile and for establishing high standards, education, and work policy for the federal bar. ☘

### Publication Opportunity: *The Federal Lawyer*

The FBA's Section on Taxation has been asked to assist in the creation of a tax law-themed edition of *The Federal Lawyer*, for release in October of 2017. *The Federal Lawyer* is a national publication that is circulated to more than 18,000 legal practitioners across the country.

We are seeking seven authors to draft feature length tax articles between 3,000 and 8,000 words each. The writer's guidelines for *The Federal Lawyer* can be found at [www.fedbar.org/TFLwritersguidelines](http://www.fedbar.org/TFLwritersguidelines) and the guidelines explain in greater detail the typical articles that are published in *The Federal Lawyer*. The deadline for submission of an article is **June 1, 2017**. Please reach out to the Section at [fbataxlaw@gmail.com](mailto:fbataxlaw@gmail.com) if you are interested.

## Social Events

### Tax Miami Wine Tasting

FBA Tax Miami had a wine tasting happy hour on March 8, 2017, at The Big Easy in the newly developed Brickell City Centre. Local tax LL.M. students and practitioners enjoyed tasting a variety of South African wines compliments of The Ferraro Law Firm. The Miami group of the FBA Section on Taxation looks forward to its next event this fall.

### Young Tax Lawyers Group Events

On March 10, 2017, the Section on Taxation in conjunction with the Georgetown Law Tax LL.M. Council held a Careers in Tax Law Panel featuring United States Tax Court Judge Ronald L. Buch, Fred Goldberg, Diana Erbsen, Adam Gropper, and Philippe Stephanny. During the panel, the speakers provided the young attorneys and students with practical advice on developing a career in tax law. There was also a networking reception for attendees.

The Section on Taxation's Young Tax Lawyers Group held multiple social events, bringing together well-rounded groups of both public and private sector tax lawyers, as well as many students from local law schools. Those who attended were treated to great happy hour drink specials and a wide array of appetizers.

If you would like to learn more about the Young Tax Lawyers Group or be included in our email list, please contact Drew Cummings or Lisandra Ortiz by emailing [fbataxlaw@gmail.com](mailto:fbataxlaw@gmail.com).

### FBA Section on Taxation: A Conversation with Judge Vasquez

On November 29, 2016, the Section



on Taxation held an event at the Belo Mansion in Dallas featuring United States Tax Court Judge Juan F. Vasquez. The well-attended event featured a conversation with Judge Vasquez and

the FBA Section on Taxation Dallas Chapter, Co-Chair, Todd Welty. There was also a networking reception for attendees. This was the Section on Taxation's first of hopefully many events

## “Stars Have Aligned” for Tax Reform in 2017, Way and Means Chief Tax Counsel Says

*By Jessica Jeane, Congressional Tax Reporter & Analyst, and as originally appearing in CCH Federal Tax Day*

Congressional tax writing committees' senior staff and the Joint Committee on Taxation's (JCT) chief of staff provided a legislative update at the Federal Bar Association's (FBA) 41st Annual Tax Law Conference in Washington, D.C., on March 3. The congressional staff previewed their inside perspectives on tax reform and Patient and Protection Affordable Care Act (ACA), P.L. 111-18, repeal and replacement efforts, as well as some of the variables that may slow down progress.

### Tax Reform

Despite its complexity, however, the “stars have aligned” for tax reform in 2017, according to House Ways and Means Committee chief tax counsel (majority) Barbara Angus. “We all know that tax reform is difficult, there is a reason why it has been 31 years since the last time we had major tax reform ... but it is long overdue,” Angus said. She did recognize, however, the challenges of negotiating a final bill with competing interests among the many members who want reform, but with each looking for one specific provision to remain untouched, Angus noted. “Whenever you try to change the status quo, there are always those that say fundamental reform is terrific ... let's shake things up ... except for this one thing,” she said. But everyone has a different “one thing,” she added.

Senate Finance Committee (SFC) Chairman Orrin G. Hatch, R-Utah tells members that if they want tax rates lowered, some sacrifices will have to be made, according to SFC chief counsel

Mark Prater. “It is simply math; you can't get rates down without doing some base broadening,” Prater said.

Tax reform will immediately follow the repeal and replacement of the ACA, Angus predicted, echoing what both Ways and Means Chairman Kevin Brady, R-Tex., and Speaker Paul Ryan, R-Wis., have said lately. Both legislative objectives are “huge priorities” for Ways and Means and the Trump administration, according to Angus.

### Budget Reconciliation

The budget will play an important role in determining whether ACA replacement and tax reform move forward smoothly, according to the tax writing committees' senior staff. Agreeing on the budget as the vehicle needed to pass the ACA and tax reform if done through reconciliation is one of the most controversial elements of the replacement and reform initiatives, Aruna Kalyanam, tax counsel & staff director (minority), on the Way and Means Tax Policy Subcommittee, said.

The government is currently operating on a continuing resolution (CR), which will have to be closed out for a new budget to take control, Kalyanam noted. “You're going to need some sort of agreement on a repeal and replace plan from both chambers of Congress before you can get to the reconciliation process with respect to tax reform,” she added. Much will also depend on President Trump's budget.

President Trump unveiled his one-page tax reform outline on April 27, calling for the “biggest individual and

business tax cut in American history.” Legislative language is expected sometime in June. Among the proposals listed, the Administration would like to reduce the current seven individual tax rates to three: 10, 25, and 35 percent. Additionally, similar to his campaign proposal, President Trump is recommending a 15 percent business tax rate. The administration's “skinny” budget was released on March 16, and the final budget is expected in May.

### JCT

Since 2003, the House requires that macroeconomic analysis be provided to members for tax legislation out of the Ways and Means Committee, JCT chief of staff Thomas A. Barthold said. But as of 2014, JCT now must also provide a best estimate as to how those macroeconomic outcomes will affect GDP growth, he noted. “In terms of timing, this slows things down, this is not an easy analysis,” he said. Ways and Means Chairman Kevin Brady, R-Tex., and Hatch “understand fully the demands of asking for this information,” Barthold added.

## SECTION ON TAXATION LEADERSHIP

**CHAIR**

Christine S. Hooks

**IMMEDIATE PAST CHAIR**Ryan J. Kelly  
Office of Associate Chief Counsel  
(International), I.R.S.**CHAIR-ELECT**Shamik Trivedi  
Grant Thornton LLP**TREASURER**Nick Gard  
White & Case LLP**SECRETARY**Brandon King  
U.S. Tax Court**MEMBERSHIP CO-CHAIRS**Brandon King  
U.S. Tax CourtMarissa K. Rensen  
Office of Chief Counsel  
(International), I.R.S.Laura Pisarello  
U.S. Tax Court**2017 TAX LAW CONFERENCE  
CHAIR**Private Sector:  
Anne R. Gordon  
Price Waterhouse Coopers LLPPublic Sector:  
Scott K. Dinwiddie  
Office of Associate Chief Counsel  
(Income Tax and Accounting), I.R.S.**2017 TAX LAW CONFERENCE****VICE-CHAIR**Travis A. Greaves  
Greaves Wu LLP**WOMEN IN TAX LAW CO-  
CHAIRS**Jaclyn M. Goldberg  
Fried Frank Harris Shriver & Jacobson  
LLPCarina Federico  
Steptoe & Johnson LLP**2017 INSURANCE TAX  
SEMINAR CO-CHAIRS**Lori J. Jones  
Scribner, Hall & Thompson, LLPAlexis MacIvor  
Branch Chief, Branch 4 (FIP), IRS  
Office of Chief Counsel**PUBLICATION EDITORS**Chris Whitcomb  
U.S. Department of Justice, Tax  
DivisionDaniel Strickland  
U.S. Tax Court**YOUNG TAX LAWYER CO-  
CHAIRS**Lisandra Ortiz  
Miller & Chevalier CharteredDrew Cummings  
Morgan, Lewis & Bockius**DIGITAL MEDIA CHAIR**Robert Russell  
Alliantgroup**TAX WRITING****COMPETITION CO-CHAIRS**Blaine Saito  
U.S. Department of Justice, Tax  
DivisionKandyce Korotky  
Covington & Burling LLP**FBA TAX ATLANTA CHAIRS**Anson Asbury  
Asbury Law FirmCharles E. Hodges, II  
Jones Day**FBA TAX CHICAGO CHAIR**Jonathan Welbel  
Baker McKenzieJason Anderson  
Grant Thornton LLP**FBA TAX DALLAS CHAIRS**Jeffrey Glassman  
McDermott Will & Emery LLPTodd Welty  
McDermott Will & Emery LLP**FBA TAX MIAMI CHAIR**Scott A. Knott  
The Ferraro Law Firm**FBA TAX NEW YORK  
CHAIRS**S. Starling Marshall  
Covington & Burling LLPSarah Sheldon  
Senior Counsel, MetlifeMichael Sardar  
Kostelanetz & Fink LLP**FBA TAX ST. LOUIS CHAIR**Mark C. Milton  
Husch Blackwell LLP**FBA TAX SAN DIEGO CHAIR**Kathleen A. Agbayani  
Baker McKenzie**TAX PRACTICE &  
PROCEDURE ROUNDTABLE  
CO-CHAIRS**Matthew Cooper  
EYMary Slonina  
Price Waterhouse Coopers LLP**CAREERS IN TAX LAW  
PANEL**Elizabeth Kanyer  
U.S. Tax CourtNeville Jiang  
Crowell & Moring LLP**COMMUNITY OUTREACH**Travis A. Greaves  
Greaves Wu LLP

# Inside Basis

Federal Bar Association  
Section on Taxation  
1220 North Fillmore Street, Suite 444  
Arlington, VA 22201

---