

**2004 Sales & Use Tax School, Course II -
Intermediate Sales & Use Tax Theory -
Policy & Procedure**

University of Cincinnati
Marriott Kingsgate Conference Center
Cincinnati, Ohio
August 22 - 27, 2004



Institute for Professionals in Taxation

600 Northpark Town Center
1200 Abernathy Road, Northeast
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Atlanta, Georgia 30328
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PROGRAM

◆ **SUNDAY, AUGUST 22**

1:00 p.m. - 5:00 p.m.

Registration

Lobby

5:00 p.m. - 5:30 p.m.

BREAKOUT GROUPS¹

Group #1 - Mt. Lookout: Room 136 - Bone
Group #2 - Mt. Echo: Room 130 - Holston
Group #3 - Mt. Auburn: Room 120 - DeGumbia
Group #4 - Mt. Storm: Room 140 - Matulich
Group #5 - Mt. Adams: Room 111 - McConnell
Group #6 - Amphitheater 2: Room 144 - Sinton

⇒ **BREAKOUT GROUP LEADERS** ⇐

All Week

Instructor:

Jack T. Bone,
Senior Manager
Ryan & Company
Houston, Texas

One Time

Anita M. DeGumbia
Audit Administrator
Georgia Department of Revenue
Atlanta, Georgia

Instructor:

Robert S. Goldman, CMI, Esq.
Partner
Vickers Madsen & Goldman, LLP
Tallahassee, Florida

Keith Simeral
Mgr., Sales & Prop. Tax Planning
IBM
Southbury, Connecticut

Instructor:

Kathleen M. Holston, CMI, CPA
Manager, State and Local Taxes
Armstrong World Industries, Inc.
Lancaster, Pennsylvania

Faranak Naghavi, CPA
Principal
Ernst & Young LLP
Washington, DC

Instructor:

Diane J. Matulich, CMI, CPA
Local Tax Manager
Advanced Micro Devices, Inc.
Sunnyvale, California

Barbara A. Sweasy, CPA
Director of Tax
Cable & Wireless USA
Reston, Virginia

Instructor:

William J. McConnell, CPA, Esq.
Manager - Sales, Use & Excise Taxes
General Electric Company
Ft. Myers, Florida

Wayne Zakrzewski, Esq.
Assistant General Counsel - Tax
JCPENNEY
Dallas, Texas

Instructor:

Richard J. Sinton, Esq.
Senior Attorney
AT&T Corp.
Bedminster, New Jersey

5:45 p.m. - 7:00 p.m.

GENERAL SESSION

Ballroom

■ **Constitutional Issues - Part I**

The purpose of this two-part session is to enable tax professionals to identify federal constitutional issues that may be raised by state and local taxes that are asserted against their businesses. The focus is on constitutional limitations on state and local taxing power. Coverage includes the Commerce Clause, Import/Export Clause, Equal Protection Clause, Supremacy Clause, First Amendment, and Due Process Clause. Students will learn the basic tools of constitutional analysis.

¹These are the room assignments for each group throughout the week. Students go to this same room for each Breakout Group Session and the faculty rotates as shown.

◆ SUNDAY/MONDAY, AUGUST 22, 23

Instructors:

Robert S. Goldman, CMI, Esq.

Partner

Vickers Madsen & Goldman, LLP

Tallahassee, Florida

Joseph A. Vinatieri, Esq.

Partner

Bewley, Lassleben & Miller

Whittier, California

7:00 p.m. - 9:00 p.m. Dinner 5/3Plaza (Outdoors, weather permitting)

◆ MONDAY, AUGUST 23

6:30 a.m. - 7:45 a.m. Breakfast **Bistro 151**

8:00 a.m. - 8:15 a.m. **Opening of School** **Ballroom**

Welcome and Overview By:

President

Institute for Professionals in Taxation

Linda A. Falcone, CMI

Chair, Course II

2004 Course II School Committee

Grant Thornton LLP

Weston, Florida

8:15 a.m. - 10:00 a.m. **GENERAL SESSION** **Ballroom**

■ **Constitutional Issues - Part II**

Continuation from Part I Session.

Instructors:

Robert S. Goldman, CMI, Esq.

Partner

Vickers Madsen & Goldman, LLP

Tallahassee, Florida

Joseph A. Vinatieri, Esq.

Partner

Bewley, Lassleben & Miller

Whittier, California

10:15 a.m. - 11:45 a.m. **BREAKOUT GROUPS**

(Constitutional Issues)

Group #1 - Mt. Lookout: Room 136 - Holston

Group #2 - Mt. Echo: Room 130 - Goldman

Group #3 - Mt. Auburn: Room 120 - Matulich

Group #4 - Mt. Storm: Room 140 - McConnell

Group #5 - Mt. Adams: Room 111 - Sinton

Group #6 - Amphitheater 2: Room 144 - Bone

11:45 a.m. - 1:00 p.m. Lunch **Bistro 151**

◆ **MONDAY, TUESDAY, AUGUST 23, 24**

1:00 p.m. - 2:00 p.m.

GENERAL SESSION

Ballroom

■ **Ethics**

Ethics is a critical issue that impacts all taxpayers on a daily basis. Some of the answers are clear-cut. Some are grayer in nature. Most will vary in the eye of the beholder. This session will address various issues facing taxpayers.

Instructors:

Jack T. Bone, CMI

Senior Manager
Ryan & Company
Houston, Texas

Joseph A. Vinatieri, Esq.

Partner
Bewley, Lassleben & Miller
Whittier, California

2:15 p.m. - 4:00 p.m.

GENERAL SESSION

Ballroom

■ **Retailing and Advertising**

Analyzes the tax treatment of purchases and sales by retailers, discusses various aspects of taxation of advertising and discusses certain issues unique to remote sellers.

Instructors:

Frank G. Julian, Esq.

Operating Vice President - Tax Counsel
Federated Department Stores, Inc.
Cincinnati, Ohio

Wayne Zakrzewski, Esq.

Assistant General Counsel - Tax
JCPENNEY
Dallas, Texas

4:15 p.m. - 5:15 p.m.

BREAKOUT GROUPS

(Retailing, Advertising)

Group #1 - Mt. Lookout: Room 136 - Goldman
Group #2 - Mt. Echo: Room 130 - Zakrzewski
Group #3 - Mt. Auburn: Room 120 - McConnell
Group #4 - Mt. Storm: Room 140 - Sinton
Group #5 - Mt. Adams: Room 111 - Bone
Group #6 - Amphitheater 2: Room 144 - Holston

◆ **TUESDAY, AUGUST 24**

6:30 a.m. - 7:45 a.m.

Breakfast

Bistro 151

◆ **TUESDAY, AUGUST 24**

8:00 a.m. - 10:15 a.m. **GENERAL SESSION** **Ballroom**

■ **Statistical and Block Sampling**

This session is intended to provide a common sense approach on when to choose block or statistical sampling procedures during a tax audit instead of having an examination performed on an actual basis. Pros and cons of each method will be discussed as well as practical guidelines for setting up samples and evaluating the sample results. While the textbook contains several problems showing statistical sample analysis, the students will not be required to do any complex statistical analysis, but instead will be expected to apply the principles discussed during the session.

Instructors:

Keith Simeral

Manager, Sales and Property Tax Planning
IBM
Southbury, Connecticut

Diane J. Matulich, CMI, CPA

Local Tax Manager
Advanced Micro Devices, Inc.
Sunnyvale, California

10:30 a.m. - 12 Noon **BREAKOUT GROUPS**
(Statistical Sampling)

Group #1 - Mt. Lookout: Room 136 - Matulich
Group #2 - Mt. Echo: Room 130 - Simeral
Group #3 - Mt. Auburn: Room 120 - Sinton
Group #4 - Mt. Storm: Room 140 - Bone
Group #5 - Mt. Adams: Room 111 - Holston
Group #6 - Amphitheater 2: Room 144 - Goldman

12 Noon - 1:00 p.m. Lunch **Bistro 151**

1:00 p.m. - 3:45 p.m. **GENERAL SESSION** **Ballroom**

■ **Audits and Taxpayer Remedies**

After a brief review of the typical audit process employed by states in sales and use tax audits, this session will focus on the management of the audit and the ultimate resolution of the matter from the taxpayer perspective. We will explore ways in which the corporate tax department can prepare for and positively influence the audit process, from pre-planning and the initial audit conference to the closing conference and subsequent appeals. The session will address common taxpayer remedies and analyze the appeals process, including deficiency protests, claims for refund, settlement options, and exhaustion of taxpayer remedies in anticipation of litigation.

Instructors:

Richard V. Carlson, CMI, CPA

Principal
Ryan & Company
Los Angeles, California

◆ **TUESDAY, WEDNESDAY, AUGUST 24, 25**

William J. McConnell, CPA, Esq.
Manager - Sales, Use & Excise Taxes
General Electric Company
Ft. Myers, Florida

Anita M. DeGumbia
Audit Administrator
Georgia Department of Revenue
Atlanta, Georgia

4:00 p.m. - 5:00 p.m.

BREAKOUT GROUPS

(Audits and Taxpayer Remedies)
Group #1 - Mt. Lookout: Room 136 - McConnell
Group #2 - Mt. Echo: Room 130 - Sinton
Group #3 - Mt. Auburn: Room 120 - Bone
Group #4 - Mt. Storm: Room 140 - Holston
Group #5 - Mt. Adams: Room 111 - Goldman
Group #6 - Amphitheater 2: Room 144 - Matulich

◆ **WEDNESDAY, AUGUST 25**

6:30 a.m. - 7:45 a.m.

Breakfast

Bistro 151

8:00 a.m. - 9:15 a.m.

GENERAL SESSION

Ballroom

■ **Mergers & Acquisitions**

This session addresses sales and use tax issues and treatments related to selected corporate transactions including mergers, acquisitions and reorganizations. The information will include a discussion on available exemptions, potential limitations, due diligence reviews and bulk sale transactions.

Instructor:

Faranak Naghavi, CPA
Principal
Ernst & Young LLP
Washington, DC

9:30 a.m. - 10:45 a.m.

BREAKOUT GROUPS

(Mergers & Acquisitions)

Group #1 - Mt. Lookout: Room 136 - Naghavi
Group #2 - Mt. Echo: Room 130 - Bone
Group #3 - Mt. Auburn: Room 120 - Holston
Group #4 - Mt. Storm: Room 140 - Goldman
Group #5 - Mt. Adams: Room 111 - Matulich
Group #6 - Amphitheater 2: Room 144 - McConnell

11:00 a.m. - 12:15 p.m.

GENERAL SESSION

Ballroom

■ **Telecommunications**

This session builds upon the taxation of basic telecommunications services and introduces students to more sophisticated telecommunications services and applicable tax theories. The session will also address exemptions and tax minimization opportunities relevant to telecommunications services.

◆ WEDNESDAY, AUGUST 25

Instructors:

Richard J. Sinton, Esq.

Senior Attorney

AT&T

Basking Ridge, New Jersey

Barbara A. Sweasy, CPA

Director of Tax

Cable & Wireless USA

Vienna, Virginia

12:15 p.m. - 1:30 p.m.

Lunch

Bistro 151

1:30 p.m. - 2:30 p.m.

BREAKOUT GROUPS

(Telecommunications)

Group #1 - Mt. Lookout: Room 136 - Bone

Group #2 - Mt. Echo: Room 130 - Holston

Group #3 - Mt. Auburn: Room 120 - Goldman

Group #4 - Mt. Storm: Room 140 - Sweasy

Group #5 - Mt. Adams: Room 111 - McConnell

Group #6 - Amphitheater 2: Room 144 - Sinton

2:45 p.m. - 3:45 p.m.

GENERAL SESSION

Ballroom

■ **Taxation of Computer Software & Services**

This session covers the principles of law and general theories applied by various states to computer-related services, canned and custom software, software maintenance, intellectual property rights and services sold in conjunction with the sale of hardware. The session will address points to consider when reviewing multi-state contracts involving tangible personal property, services and intellectual property.

Instructor:

Diane J. Matulich, CMI, CPA

Local Tax Manager

Advanced Micro Devices, Inc.

Sunnyvale, California

4:00 p.m. - 5:00 p.m.

BREAKOUT GROUPS AND QUIZ

(Taxation of Computer Software & Services)

Group #1 - Mt. Lookout: Room 136 - Holston

Group #2 - Mt. Echo: Room 130 - Goldman

Group #3 - Mt. Auburn: Room 120 - Matulich

Group #4 - Mt. Storm: Room 140 - McConnell

Group #5 - Mt. Adams: Room 111 - Sinton

Group #6 - Amphitheater 2: Room 144 - Bone

◆ THURSDAY, AUGUST 26

6:30 a.m. - 7:45 a.m.	Breakfast	Bistro 151
8:00 a.m. - 9:30 a.m.	GENERAL SESSION ■ Manufacturing This session addresses basic definitions to advanced topics and concepts in the manufacturing industry. The information will cover tax opportunities, transactions, property classification issues, conflicts and a myriad of other items that make this industry complex for applying sales and use tax applications and administration. <i>Instructors:</i> Jack T. Bone, CMI Senior Manager Ryan & Company Houston, Texas Kathleen M. Holston, CMI, CPA Manager, State and Local Taxation Armstrong World Industries, Inc. Lancaster, Pennsylvania	Ballroom
9:45 a.m. - 10:45 a.m.	GENERAL SESSION ■ Leasing This session will review the principles involved in the sales taxation of rented and leased property. Students will be provided with a step-by-step approach for analyzing lease transactions which includes tax planning. There will be a brief discussion of recent legislative changes, significant court decisions and administrative developments impacting the leasing industry. <i>Instructor:</i> William J. McConnell, CPA, Esq. Manager - Sales, Use & Excise Taxes General Electric Company Ft. Myers, Florida	Ballroom
11:00 a.m. - 12 Noon	BREAKOUT GROUPS (Manufacturing and Leasing) Group #1 - Mt. Lookout: Room 136 - Goldman Group #2 - Mt. Echo: Room 130 - Matulich Group #3 - Mt. Auburn: Room 120 - McConnell Group #4 - Mt. Storm: Room 140 - Sinton Group #5 - Mt. Adams: Room 111 - Bone Group #6 - Amphitheater 2: Room 144 - Holston	
12:00 p.m. - 1:00 p.m.	Lunch	Bistro 151
1:00 p.m. - 2:00 p.m.	GENERAL SESSION ■ Taxation of Services Taxation of services and practice, including emerging issues and significant court cases.	Ballroom

◆ **THURSDAY, FRIDAY, AUGUST 26, 27**

Instructor:

Brenda S. Kelley, CPA
Partner
Fontaine & Kelley, LLP
Hartsburg, Missouri

2:15 p.m. - 3:30 p.m.

GENERAL SESSION

Ballroom

■ **Taxation of Electronic Commerce**

An overview of the sales and use tax issues raised by electronic commerce, with emphasis on the Internet and transactions occurring over that medium. Summary of recent developments such as sales tax simplification efforts, and discussion of various tax planning scenarios.

Instructor:

Robert S. Goldman, CMI, Esq.
Partner
Vickers Madsen & Goldman, LLP
Tallahassee, Florida

3:45 p.m. - 5:00 p.m.

BREAKOUT GROUPS

(Services/Electronic Commerce/School Review)

Group #1 - Mt. Lookout: Room 136 - Bone
Group #2 - Mt. Echo: Room 130 - McConnell
Group #3 - Mt. Auburn: Room 120 - Sinton
Group #4 - Mt. Storm: Room 140 - Matulich
Group #5 - Mt. Adams: Room 111 - Holston
Group #6 - Amphitheater 2: Room 144 - Goldman

◆ **FRIDAY, AUGUST 27**

6:30 a.m. - 8:00 a.m.

Breakfast

Bistro 151

9:00 a.m. - 10:30 a.m.

Final Examination

Ballroom

10:30 a.m.

School Concludes

**2004 COURSE II SALES AND USE TAX SCHOOL COMMITTEE
PROGRAM CHAIR, VICE CHAIR**

Chair:

Linda A. Falcone, CMI
Director, State & Local Taxes
Grant Thornton, LLP
Weston, Florida

Vice Chair:

Jack T. Bone, CMI
Senior Manager
Ryan & Company
Houston, Texas

BREAKOUT GROUPS

Registrants will be divided into six groups where they will remain throughout the week. Each group will rotate through the breakout sessions on a schedule that will be posted at registration. Each breakout session will focus on specific matters discussed in the general session.

TESTING/HOMEWORK

A quiz will be given during the week, with a final examination on Friday. A cumulative passing score must be realized on the quiz and examination for successful completion of the school. The final examination must be taken on Friday morning, so travel arrangements should be made accordingly. **No exceptions can be made to taking the examination at the stated time on Friday.**

COURSE II FOCUS

The course is intended for those individuals with four or more years of sales tax experience or for those who have already attended Course I. Individuals with fewer than four years of sales tax experience should not apply to this school; Course I - Foundation of Sales and Use Taxes, that will be offered in February 2004, is intended for this latter group. Both Course I and II are directed at the professional development of the IPT membership, as well as supporting the Professional Designation Program of the Institute.

CMI DESIGNATION

The Institute for Professionals in Taxation's designation "Certified Member of the Institute" (CMI) is available to anyone who has been a sales tax member of the Institute in good standing for at least one year and who meets all other requirements. The purpose of the certification program is to further the professional development of its members. For further information, please contact the IPT Office.

CONTINUING EDUCATION CREDIT

The Institute for Professionals in Taxation is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of Accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the:

National Registry of CPE Sponsors

150 Fourth Avenue North
Suite 700
Nashville, TN 37219-2417
Web site: www.nasba.org

Thirty-six (36) continuing education credit are available for attendance. In accordance with the standards of the National registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour. CMIs will obtain hour-for-hour continuing education credits for attendance upon submittal of the appropriate continuing education form.

Registrants who wish to obtain credit from other organizations for the school may have their particular forms signed by the IPT staff. The Institute provides a standardized continuing education credit form for other organizations.

Prerequisites: Sales and Use Tax School - Course 1, or 4 or more years of sales tax experience.

Program Level: Intermediate

Field of Study: Taxation

FACULTY

Seventeen Instructors constitute the faculty; the private, government and corporate sectors are represented. Biographical summaries of the Instructors will be furnished at registration.

Jack T. Bone, CMI (Vice Chair)

Senior Manager
Ryan & Company
Houston, Texas

Keith Simeral

Manager, Sales and Property Tax Planning
IBM
Southbury, Connecticut

Richard V. Carlson, CMI, CPA

Principal
Ryan & Company
Los Angeles, California

Richard J. Sinton, Esq.

Senior Attorney
AT&T
Bedminster, New Jersey

Anita M. DeGumbia

Audit Administrator
Georgia Department of Revenue
Atlanta, Georgia

Barbara A. Sweasy, CPA

Director of Tax
Cable & Wireless USA
Vienna, Virginia

Linda A. Falcone, CMI (CHAIR)

Director, State & Local Taxes
Grant Thornton LLP
Weston, Florida

Joseph A. Vinatieri, Esq.

Attorney-At-Law
Bewley, Lassleben & Miller
Whittier, California

Robert S. Goldman, CMI, Esq.

Partner
Vickers Madsen & Goldman, LLP
Tallahassee, Florida

Wayne Zakrzewski, Esq.

Assistant General Counsel - Tax
JCPENNEY
Dallas, Texas

Kathleen Holston, CMI, CPA

Manager, State and Local Taxation
Armstrong World Industries, Inc.
Lancaster, Pennsylvania

Frank G. Julian, Esq.

Operating Vice President - Tax Counsel
Federated Department Stores, Inc.
Cincinnati, Ohio

Brenda S. Kelley, CPA

Partner
Fontaine & Kelley, LLP
Hartsburg, Missouri

Diane J. Matulich, CMI, CPA

Local Tax Manager
Advanced Micro Devices, Inc.
Sunnyvale, California

William McConnell, CPA, Esq.

Manager - Sales, Use & Excise Taxes
General Electric Company
Ft. Myers, Florida

Faranak Naghavi, CPA

Principal
Ernst & Young LLP
Washington, DC

REGISTRATION

Registrations must be completed in advance through the IPT Office. **No on-site registration is allowed. Enrollment is limited to member companies, only, and applicant must have at least 4 years' sales tax experience or have successfully completed Course I.**

Each company will be allowed up to a maximum of two (2) registrants should the school be over-subscribed. However, as many registrations as wished can be submitted. Full refunds will be issued for any applications not accepted. Notification of acceptance will be sent out after July 2, 2004. **All applications need to be received by the IPT Office no later than July 2, 2004, for timely consideration.**

Registration fees are as follows (applicant or company must belong to IPT):

By July 2, 2004

\$700 (Applicant Personally Belongs To IPT)
\$900 (Company Belongs, Applicant Does Not)

After July 2, 2004

\$725 (Applicant Personally Belongs To IPT)
\$925 (Company Belongs, Applicant Does Not)

NOTE: In cases where local registrants from the Cincinnati area are not residing at the Marriott Kingsgate Conference Center, there is an added registration fee supplement of **\$325**.

All registrations must be completed in advance of the school. The Institute accepts credit cards as indicated. The following applies for registration fees received by the IPT Office:

CANCELLATION FEE

\$100 for any filed registration. After August 13, no refunds will be made. **No cancellations will be valid unless acknowledged in writing by IPT once written cancellation has been received from the registrant.**

SUBSTITUTION FEE

Prior to (including) July 2	\$40.00
After July 2	\$50.00

ACCOMMODATIONS

All Registrants and Instructors are expected to reside at the Kingsgate Marriott Conference Center and Hotel on the campus of the University of Cincinnati in Cincinnati, Ohio. The only permissible exceptions are those individuals who reside in the Cincinnati area (see concluding paragraph). The hotel is located above the Conference Center. **The rate is \$992.90 for the five night stay Sunday through Friday Noon (\$169.00 per night plus 17.5% tax).** This rate includes dinner on Sunday and breakfast, lunch and dinner each day thereafter except Friday, where there is no lunch or dinner (the rate also includes restaurant gratuities). The hotel accepts all major credit cards. For those who wish to stay Saturday Night prior to the school, the rate is \$104.58 inclusive. This Saturday rate does not include any meals. Reservation instructions for the hotel will be sent out with the acceptance letters after July 2, 2004. **At that time you should make your reservations; the hotel will not accept them prior to this time.**

Cincinnati area registrants are encouraged to stay at the hotel given the peer interaction that takes place which is an essential part of the program. Should election be made, however, to stay at home, there is a supplemental registration fee of **\$325.00** to cover some of the overhead costs that are a part of the hotel registration fee.

FACTS ABOUT KINGSGATE MARRIOTT CONFERENCE CENTER AND HOTEL

Located adjacent to the University of Cincinnati, and within minutes of many corporate headquarters, the Kingsgate Conference Center provides a dynamic location, plus the latest enhancements of 21st century technology, to accommodate corporate meeting and business travel needs.

Guest rooms are specifically designed for the business traveler and conference guest. Eight floors, 206 Rooms, 96 of which are specifically designed for the business traveler:

- work desk with lamp
- line phone
- speaker phone
- voice mail
- data ports on phone
- TV with remote control
- cable/satellite TV
- news channel
- room movies
- newspaper delivered (Monday - Friday)
- complimentary in-room coffee
- iron and ironing board
- hair dryer
- individual climate control; smoke detectors and sprinklers
- nonsmoking and ADA-accessible rooms available
- high-speed Internet connectivity

A full service restaurant is located within the hotel as is a lounge.

A parking garage is available at the hotel. There is no charge for those registrants attending the school Sunday through Friday but there is a charge of \$12.00 for any guests staying Saturday night.

The university complex is served by the Greater Cincinnati/Northern Kentucky Airport. There is airport shuttle service available for \$14.00 one way, \$24.00 round-trip. Full particulars will be provided in the acceptance letter.

For detailed information on the hotel and conference center, copy and paste on your browser the very informative link that follows for the Marriott Kingsgate Conference Center.

<http://www.marriott.com/epp/default.asp?MarshaCode=CVGKG>

