

2012 INCOME TAX SYMPOSIUM

**Key Bridge Marriott
Arlington, Virginia
November 4-7, 2012**

PROGRAM



INSTITUTE FOR PROFESSIONALS IN
TAXATION

1200 Abernathy Road
Building 600, Suite L-2
Atlanta, Georgia 30328

Phone: 404-240-2300
Fax: 404-240-2315
www.ipt.org



3:00 - 6:00 pm Registration

4:00 - 5:30 pm **Basics of State Income Taxation**

This course is an overview of state income tax concepts and terminology, and is geared towards those individuals who are in the early stages of their state and local tax careers (3 years or less). We will give a brief overview of common terms and concepts, and their application to arriving at a state income tax liability. The course is meant to give a basic foundation for the symposium so that those new to the field will gain the most from the sessions that follow.

Learning Objectives:

- √ At the conclusion of this course, attendees should have a basic understanding of the various terms and concepts that will be discussed in detail during the symposium, including:
 - o Nexus
 - o Apportionment and allocation
 - o Business and non-business income
 - o Nowhere sales
 - o Throwback rule
 - o Throwout rule
 - o Various reporting methods (separate company, combined, consolidated)
- √ Attendees will also have a general understanding of how these concepts impact the state income tax calculation and a company's overall state tax liability
- √ Attendees will also be able to differentiate between various types of taxes (income, franchise, net worth, gross margins, etc.).

Speakers:

Gary C. Bingel, CMI, CPA, Esq.

Partner - State and Local Taxes

EisnerAmper LLP

Bridgewater, NJ

Jordan M. Goodman, Esq., CPA

Partner

Horwood Marcus & Berk Chartered

Chicago, IL

2012 INCOME TAX SYMPOSIUM

SUNDAY, November 4, 2012 (continued)

Glenn C. McCoy, Jr., Esq.

Principal in Charge State and Local Tax
Holtz Rubenstein Reminick LLP
New York, NY

6:00 - 7:30 pm Welcome Reception

MONDAY, November 5, 2012

8:00 - 8:30 pm Program Opening

Paul A. Wilke, CMI - IPT President

Director, Ad Valorem Tax
Weingarten Realty Investors
Houston, TX

Glenn C. McCoy, Jr., Esq.

Principal in Charge State and Local Tax
Holtz Rubenstein Reminick LLP
New York, NY

8:30 - 10:30 am General Session - Joint (Sales Tax)

The Art of Negotiation

Tax work, by its nature, involves the exercise of various forms of negotiation, from settlements to relationships with other tax professionals. The negotiation process has little to do with traditional tax doctrines and is instead governed by the same psychological and sociological principles that govern other social relationships. Tax professionals who try to use a conventional legal framework to guide their negotiations often ignore the application of other important factors to the bargaining process and reduce their effectiveness. This session is designed to help understand and apply general negotiating principles so that your personal strengths and weaknesses can be used most effectively in future negotiations. Research has shown that confident negotiators achieve more favorable settlements than their less certain cohorts. The program will enhance your confidence by improving your ability to recognize various legal negotiating tactics and to respond effectively to them for better results.

Learning Objectives:

- √ Set the appropriate tone for a negotiation session;
- √ Know how your personality affects your ability to achieve successful bargaining results;
- √ Know why the first real offer is so critical and how you

MONDAY, November 5, 2012 (continued)

- ✓ can induce the other side to make it;
- ✓ Know why you should be particularly vigilant when your opponent says, "To be perfectly candid, this is the most I can offer you;"
- ✓ Know when nonverbal communication such as head-nodding signifies assent rather than impatience?
- ✓ Know when is it more advantageous to negotiate over the telephone instead of in person?
- ✓ Know what the research shows about bargainers who begin negotiations with extreme rather than more moderate demands;
- ✓ Know what you should seek in the "information phase" of bargaining;
- ✓ Know how silence can be used as a powerful legal negotiation technique;
- ✓ Know it is a good idea to have your client present during negotiating sessions;
- ✓ Know when it is appropriate to make concessions.

Speaker:

Charles B. Craver, Esq.

Professor

George Washington University Law School

Washington, DC

10:30 - 10:45 am Break

10:45 - 11:45 am General Session - Joint (Sales Tax)

Nexus Update on the 20th Anniversary of the Quill Decision

Two decades have passed since the United States Supreme Court last spoke on nexus in the Quill case. Today, given the absence of further action by the Supreme Court and the lack of federal legislation, most states continue to aggressively expand through legislation their efforts to bring more taxpayers under their taxing jurisdiction for sales and use and income/franchise tax purposes. This panel will discuss the current theories under which the States are seeking to expand sales/use and income/franchise tax nexus, such as factor-presence, "economic nexus," click-through nexus, affiliate nexus, and notice and reporting laws. The presentation will focus on current legislative, administrative, and judicial developments in the battle over nexus as well as practical steps taxpayers can take to identify and resolve nexus issues.

Learning Objectives:

- √ Learn about the history and background of the evolution of nexus standards in response to the decisions of the Supreme Court and the role of PL 86-272;
- √ Understand the various current standards under which states are seeking to impose sales tax and income tax nexus, how those standards are being applied and enforced by the States, and the differences between the prevailing sales and use tax nexus standards and the prevailing income tax standards;
- √ Learn about the current status of the disputes between the States and taxpayers over the nexus standards and the likely future evolution of those standards through judicial and legislative developments at the state and federal level.
- √ Discuss recent victories by taxpayers in Illinois and Colorado as well as recent settlements between Amazon and various states under which Amazon will collect tax.
- √ Understand the activities and relationships that can create nexus exposure and how to anticipate and manage those risks as well as respond effectively to nexus enforcement actions of the States.
- √ Discuss nexus issues created by rapidly evolving business models such as cloud computing.

Speakers:

Susan K. Haffield, CPA

Partner

PricewaterhouseCoopers LLP

Minneapolis, Minnesota

Doug Sigel, Esq.

Partner

Ryan Law Firm LLP

Austin, Texas

11:45-12:45 pm Lunch

12:45 - 1:45 pm General Session

Legislation / Litigation Update – An Overview of Significant Changes in State Taxation

In 2012, as in years past, legislation was enacted or introduced in numerous states that could significantly impact the state tax posture of business entities across the country.

MONDAY, November 5, 2012 (continues)

Furthermore, litigation of state tax issues seems to be as prevalent as ever. This session will examine the most significant state tax legislation enacted or introduced in 2012, as well as address recent and ongoing litigation that could impact the 2012 tax year and beyond.

Learning Objectives:

- √ To gain a knowledge and understanding of recent or upcoming state tax legislation that could significantly impact taxpayers in 2012 and future years.
- √ To gain a knowledge and understanding of recent or ongoing litigation and the significance of the outcome of this litigation on state taxation.

Speaker:

Marilyn A. Wethekam, Esq.

Shareholder

Horwood Marcus & Berk Chartered

Chicago, IL

1:45 - 3:15 pm

Breakout Session

Apportionment

Basic Track

As a multi-state business, how much of your income does a state get to tax? This session will provide you with the basics of apportionment – the constitutional background and case law that sets out the guidelines for apportioning income that the states are supposed to follow and the basic rules governing the property, payroll and sales factors under UDITPA (oh yeah, a brief explanation of UDITPA will be provided as well). The tax world seems to be an ever changing landscape so the session will also include discussion on some of the variations to the basic rules and some of the more recent trends in apportioning your business's income.

Learning Objectives:

- √ Learn basic constitutional concepts regarding apportionment;
- √ Learn the basic rules governing the property factor under UDITPA;
- √ Learn the basic rules governing the payroll factor under UDITPA;
- √ Learn the basic rules governing the sales factor under UDITPA;

MONDAY, November 5, 2012 (continued)

- √ Learn some of the variations of apportionment rules used by various states;
- √ Learn some of the variations of the apportionment rules applied to certain industries;
- √ Learn some of the recent trends in apportionment.

Speaker:

Kirk R. Lyda

Partner

Jones Day

Dallas, TX

Advanced Track

Once the states are finished dividing up your income, how much of the pie is left or did the states get the whole pie plus some? We all understand the basics of apportionment, but many of the states are shifting away from the basics and changing their apportionment and revenue sourcing methodologies. As result, ensuring that the states are only getting their “fair share” of a multi-state company’s taxable income has become more complex and challenging. There are issues such as throwout and throwback, cost of performance vs. market sourcing for services, the impact of the interaction of the states’ different approaches, and we cannot forget the issue of alternative apportionment. This session will analyze some of these trends and changes in state apportionment rules and the impact these changes can have on state tax liabilities.

Learning Objectives:

- √ Understand the recent trends in apportionment, including the movement towards a single sales factor in many states;
- √ Understand the recent transition towards the use of the market versus cost of performance sourcing of sales other than tangible personal property sales and the potential resulting from the interactions of the different methods employed by the states;
- √ Understand the concept of alternative apportionment and how it can be both a benefit and a detriment to a taxpayer;
- √ Understand the various constitutional challenges to apportionment and what impact, if any, these challenges have on recent trends in apportionment.

Speaker:

MONDAY, November 5, 2012 (continued)

John Iannotti, CPA

Partner
Dixon Hughes Goodman LLP
Charlotte, NC

3:15 - 3:30 pm Break

3:30 - 4:30 pm General Session

**Traps for the Unwary/Tips for the Knowledgeable -
State Tax Ramifications for Mergers and Acquisitions**

This presentation will delve into the three areas related to mergers and acquisitions that have state and local tax implications: due diligence prior to the transaction; the structure of the transaction itself and the conduct of business after the deal is done.

Learning Objectives:

- √ Due Diligence:
 - What SALT liabilities are you buying into?
 - Are all filing requirements being met?
 - Is the target an audit target?
- √ The Transaction:
 - Do the states follow the federal treatment?
 - Are any gains deferred?
 - Can the transaction qualify for non business income treatment?
 - Do any transfer taxes apply?
- √ The Conduct of Business After the Transaction:
 - What implications does the corporate combination have for future state taxation?
 - Is nexus created for the new group?
 - Is there a structure that can reduce state taxes?

Speaker:

Ralph Furlo

Senior Manager
Ernst & Young LLP
New York, NY

Steve Wlodychak, Esq.

Principal, Transaction Advisory Services Practice
Ernst & Young LLP
Los Angeles, California

4:30 - 5:30 pm General Session

Pitfalls of Intercompany Transactions

MONDAY, November 5, 2012 (continued)

This topic will explore the traps that states are setting to capture tax revenue from intercompany transactions and what taxpayers should know to avoid the pitfalls.

Learning Objectives:

- √ Recognize potential tax issues arising in intercompany transactions;
- √ Understand the role of economic substance and non-tax business purpose for intercompany transactions;
- √ Develop a working knowledge of transfer pricing issues;
- √ Become familiar with trends regarding intercompany transactions, including contingent fee audits and advance pricing agreements.

Speakers:

C. Eric Fader, Esq., CPA
State Tax Senior Manager
Navistar, Inc.
Lisle, Illinois

Mark E. Holcomb, Esq.
Attorney/Partner
Madsen Goldman & Holcomb, LLP
Tallahassee, Florida

6:00 - 7:00 pm Reception

TUESDAY, November 6, 2011

8:00 - 9:00 am General Session
Tax Officials' Take

Many of the major state tax issues facing companies today impact multiple jurisdictions, as do the corresponding decisions in these areas. What exactly is "equitable apportionment" and to whom is it "equitable?" What are some of the most challenging issues facing state revenue agencies today and how are they attempting to address these issues? How do states deal with adverse decisions and are their actions just, or are they merely politically and financially expedient? Hear some of the opinions of the MTC and the FTA in this thought-provoking session.

Learning Objectives:

- √ To gain insight into some of the major issues facing state taxing authorities.

TUESDAY, November 6, 2012

- √ To gain insight into how states may react to these issues, and the reasoning behind their actions.
- √ To learn more about some of the potential conflicts between “uniformity” and individual state considerations.

Speakers:

Gale Garriott (invited)

Executive Director

Federation of Tax Administrators

Washington, DC

Helen Hecht, Esq.

Tax Counsel

Federation of Tax Administrators

Albuquerque, NM

Shirley K. Sicilian, Esq. (invited)

General Counsel

Multistate Tax Commission

Washington, DC

Philip M. Tatarowicz, Esq., CPA

Of Counsel

Morrison & Foerster LLP

Washington, DC

9:00 - 10:15 am General Session

State Taxation of Pass-Through Entities: What, Exactly Passes Through?

As various types of pass through entities become more and more prevalent, numerous issues regarding pass-through entities arise. These issues all have a significant impact on the tax liabilities of not just the pass-through entities themselves, but their owners as well. The objective of this session is to become familiar with the state taxation of pass-through entities and to be able to identify and address certain key issues regarding such entities.

Learning Objectives:

- √ When does nexus pass-through to the owners of pass-through entities?
- √ Is the income from a pass-through entity apportioned or allocated?
- √ How do you calculate apportionment factors when you have an interest in a pass-through entity?

✓ Do you need to be concerned about pass-through entities withholding on their income?

Speaker:

Linda A. Klang, Esq.

Senior Vice-President
Lehman Brothers Holdings Inc.
Jersey City, NJ

10:15 - 10:30 am Break

10:30 - 12:00 pm General Session

ASC 740 [Where Accounting and Tax Collide]

ASC 740 (formerly FAS 109) is the accountant's guidebook for booking current and deferred income tax liabilities (or assets). It is an area that crosses the traditional dividing line and involves both accounting (financial reporting) and tax expertise. It is a complex and challenging area for many companies and accountants. This session will review the basic concepts of ASC 740 and calculating the "tax provision".

Learning Objectives:

- ✓ To learn the purpose and background behind the calculation and financial reporting of a tax provision.
- ✓ To learn basic definitions and concepts particularly as they relate to deferred tax assets, deferred tax liabilities, typical items subject to timing differences (book vs. tax), the impact of net operating losses, the purpose of valuation allowances, and differences in state vs. federal calculations (as well as other basics).
- ✓ To learn to calculate a basic tax provision.
- ✓ To obtain a general idea of more complex issues such as foreign tax calculation matters, interim period calculations and other concepts.

Speakers:

Jennifer I. Darling

Federal Tax Director
PricewaterhouseCoopers LLP
McLean, VA

Robert M. Porcelli

State & Local Tax Partner
PricewaterhouseCoopers LLP
McLean, VA

TUESDAY, November 6, 2012 (continued)

12:00 - 1:00 pm Lunch

1:00 - 2:30 pm Breakout Sessions

State Tax Reporting Positions

This session endeavors to increase participants' knowledge of various state tax return filing methodologies and reporting positions along with related taxing authority attack approaches and taxpayer defense tactics. State specific examples will be provided along with relevant guidance. Discussion will be divided into two tracks as follows:

Learning Objectives:

- √ Participants will become familiar with the fundamental differences between various combined and consolidated return filing methodologies and when required or optional
- √ Participants will become informed of current legislative changes and audit issues related to certain reporting positions and return filing methods
- √ Participants will learn possible defenses to counter state attacks to various return positions
- √ Participants will explore potential planning opportunities related to return filing methods, intercompany transactions and investments in flow-through entities

State Reporting Positions (Basic Track)

Return filing methodologies (compare & contrast), elective vs. mandatory combined/consolidated returns, and composition of filing groups

Speaker:

Christopher L. Doyle, Esq.

Partner

Hodgson Russ

Buffalo, New York

State Reporting Positions (Advanced Track)

Unitary filing issues, allocation/apportionment for corporate partners, add-back statutes, non-business income, foreign source income, and impact of restructuring on return filing groups and attributes

Speakers:

Steve Arluna

Partner

PricewaterhouseCoopers LLP

Washington, DC

2:30 - 2:45 pm Break

2:45 - 3:45 pm General Session

State Tax Reporting of RARs

So you have finished your federal audit by the IRS. Now comes the tough part—state reporting of RAR Adjustments. This session will cover the issues surrounding when an IRS deficiency becomes final and the ensuing rules in various states for required reporting of those final changes to the State jurisdiction.

Learning Objectives:

- √ Understand when a deficiency in Federal income tax becomes final.
- √ Understand State requirements for reporting Federal changes in taxable income
- √ Understand time periods for filing RAR changes in various States
- √ Understand time periods when States can make additional assessments and on what basis
- √ Overview of forms used/executed to document IRS audit adjustments

Speakers:

Steven Spaletto

Director | National Multistate Tax Services
Deloitte Tax LLP
Indianapolis, IN

3:45 - 5:00 pm General Session

Ask the Specialist

Is there a state income tax question that you would like answered? This is the time to ask! This session is a panel interactive session regarding state income tax issues which you as a tax professional come across. Please come prepared with questions.

Learning Objectives:

- √ Awareness of topics which are currently on the minds of colleagues in the area of state income taxes.
- √ Develop insight into both industry and consulting solutions to current state income tax issues.

Speakers:

2012 INCOME TAX SYMPOSIUM

TUESDAY, November 6, 2012 (continued)

Erik Burgos

State Tax Director
General Dynamics
Falls Church, Virginia

Christopher L. Doyle, Esq.

Partner
Hodgson Russ
Buffalo, New York

Linda A. Klang, Esq.

Senior Vice-President
Lehman Brothers Holdings Inc.
Jersey City, New Jersey

Diann L. Smith

Counsel
Sutherland Asbill & Brennan LLP
New York, New York

5:30 - 6:30 pm Reception

WEDNESDAY, November 7, 2012

8:30 - 9:45 am General Session
Maximizing State Tax Attributes - Navigating Technical Hurdles

Maximizing State tax attributes is extremely important in today's economy. Companies must focus on preservation of net operating loss carryforwards, determining the basis of assets in the context of the rules for cancellation of indebtedness, as well as the retention of other important state tax attributes. This session will focus on maximizing state tax attributes, covering conformity to the federal tax rules, navigating paths through debt restructuring and the diligence required as tax departments analyze plans of reorganization.

Learning Objectives:

- √ Understand preservation of net operating losses in various scenarios
- √ Understand Federal and State cancellation of debt issues in the current economy
- √ Understand the various stages in the lifecycle of a troubled company

Speaker:

WEDNESDAY, November 7, 2012 (continued)

David J. Gutowski, Esq.

Partner
Reed Smith LLP
Philadelphia, PA

9:45 - 10:45 am General Session

Effectively Defending a State Income Tax Audit

With the current economic environment, state taxing agencies are increasing the number of audits they are conducting. This session is meant to provide the attendee with guidance on how to prepare for an audit, and establishing ground rules. This session also includes a discussion of the different audit techniques employed, and alternative approaches to both common and unique tax scenarios.

Learning Objectives:

- √ Understand the steps to take in order to prepare for and manage an audit.
- √ Understand what steps to take with regard to waivers of statute of limitations.
- √ How to properly respond to information requests.
- √ How to handle post audit action items such as communication of audit results to Management, updating of NOL and credit carryforward schedules, dealing with the state tax accounting and book effect as well as other considerations.

Speaker:

Margaret C. Wilson, CMI, Esq.

Partner
Reeder Wilson LLP
Somerville, New Jersey

10:45 - 11:00 am Break

11:00 - 12:00 pm General Session - Joint (Sales Tax)

Survivor Ethics – Who Will Be Left Standing on the Steps of the Capitol?

The speaker will present an informative and entertaining program involving ethics situations facing tax professionals in their day-to-day practices.

Learning Objectives:

- √ Understand the importance and role of the IPT Code of Ethics.

2012 INCOME TAX SYMPOSIUM

WEDNESDAY, November 7, 2012 (continued)

- √ Become familiar with the individual IPT Canons, in the context of specific examples of permitted and prohibited conduct.
- √ Understand ABA model rules relating to tax return preparation and tax practice.

Speaker:

Jay M. Jalenak, Jr., Esq.

Partner

Kean Miller LLP

Baton Rouge, Louisiana

PROGRAM CHAIR

Glenn C. McCoy, Jr., Esq.

Principal in Charge State and Local Tax
Holtz Reubenstein Reminick LLP
New York, NY

PROGRAM VICE-CHAIR

Gary C. Bingel, CMI, CPA, Esq.

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Philadelphia, PA

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April Nevarez, CMI

Manager
SC&H Tax & Advisory Services
Mc Lean, VA

Karin M. Ecroyd, CPA

Director, State Tax Planning
Advance Publications, Inc.
Advance Finance Group LLC
New York, NY

John J. (Jack) Small, CMI

Manager - State & Local Tax
Dixon Hughes PLLC
Atlanta, GA

Registration and Fees

Any IPT member or employee of a member company/firm that has members in the Institute may register for the Symposium. The registration fee provides for the usual symposium expenses and also includes the continental breakfast, two lunches, three receptions, refreshment breaks, and symposium materials.

To encourage early registration, the fee structure is as follows for registration fees received by the IPT Office:

Registration Fees:	Prior to October 4th	After October 4th
IPT Member	\$595	\$620
Non-Member - but, someone from company is a member	\$795	\$820
Non-Member—no one from company is a member	\$1,020	\$1,045

Symposium materials and registration packets may be picked up at the IPT Registration Desk in the hotel between 3:00 p.m. and 6:00 p.m. on Sunday, November 4th. Those who arrive after the desk closes may pick up registration materials after 7:30 a.m. on Monday morning.

Cancellation Information

\$100 for any filed registration. After October 26th, no refunds will be made.

Payment Information

The Institute accepts the following credit cards: American Express, Master Card, and Visa. Please carefully follow the instructions on the IPT Registration Form if paying by credit card. Also be sure to note, where indicated, the correct and complete billing address for the credit card if it differs from your registration address.

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 submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Twenty-Three and a half (23.5) continuing education credits, including one IPT ethics credit hour, are available for full-attendance. In accordance with the standards of the National Registry of CPE Sponsors, CPE credits are granted based on a 50-minute hour. CMI's will receive hour for hour continuing education credits for actual session attendance. As required by credentialing bodies, IPT has implemented a badge scanning system for attendance verification. In order to obtain continuing education credit and/or verification of attendance, badges must be scanned at all sessions.

Prerequisites: None
 Program Level: Intermediate to Advanced
 Field of Study: Taxation
 Instructional Method: Group Live
 Advanced Preparation Required: None

CMI Designation

The Institute for Professionals in Taxation's designation "Certified Member of the Institute" (CMI) is available to anyone who is a member of the Institute and meets all educational, experience, oral and written examination requirements. The purpose of the certification program is to further the professional development of its members. For further information, please contact the IPT Office or visit the Institute's web site (www.ipt.org).

Hotel Accommodations

The symposium is being held at the Key Bridge Marriott. Reservations are to be made directly with the hotel by either by calling 800/228-9290 and mention that you are attending the Institute's program or online at:

<http://www.marriott.com/hotels/travel/waskb?groupCode=taxtaxa&app=resvlink&fromDate=11/4/12&toDate=11/7/12>.

The room rates are as follows:
 Single/Double Occupancy: \$ 199.00 plus taxes

Hotel Information

Key Bridge Marriott
 1401 Lee Highway
 Arlington, VA 22209