

2016 INCOME TAX SYMPOSIUM

**Westin La Paloma
Tucson, Arizona
November 13-16, 2016**

PROGRAM



INSTITUTE FOR PROFESSIONALS IN
TAXATION®

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2016 INCOME TAX SYMPOSIUM

SUNDAY, November 13, 2016

3:00 - 7:00pm Registration

6:00 - 7:30pm Welcome Reception

MONDAY, November 14, 2016

7:00-8:00am Continental Breakfast

8:00-8:15am Opening of Symposium

Program Chair

Christine Hanhausen, Esq.

Reed Smith LLP
Philadelphia, PA

IPT President

Kellianne M. Nagy, CMI, CAE

Sunbelt Rentals Inc.
Fort Mill, SC

8:15-9:45am **National Update – The Year in Review**

This session will take a look at the last twelve months across the states and cover both the key income tax decisions, critical cases currently pending cases, and trends across that states.

Learning Objectives: At the end of this session, the attendee will be able to:

- Identify important issues that have been addressed by the courts in the past year;
- Evaluate whether pending cases are relevant to the taxpayer;
- Formulate strategies to leverage recent case law developments;
- Take proactive steps to take advantage of pending litigation relevant to your company.

Speakers:

John F. Fletcher, Esq.

Jones Walker LLP
Jackson, MS

Jack Trachtenberg, Esq.

Reed Smith LLP
New York, NY

Marilyn A. Wethekam, Esq.

Horwood Marcus & Berk Chartered
Chicago, IL

9:45-10:45am

Tax Base Conformity

This session will analyze how states are deciding base income for taxpayers. It will distinguish between piggy-back states, re-composition states and those states that are a combination of both methods. This session will also point out how states that previously followed the Internal Revenue Code are distancing themselves by not adopting the latest federal changes. It will also be explained, how states affect their calculation of base income by having specific addition and subtraction modifications. Finally, the presentation will examine a trap for the unwary - the vagrancies of the federal consolidated return rules. The lectures will explain how a consolidated return rules are not necessarily to combined and consolidated returns on the state level. This part of the presentation will look at the different measurements of net operating losses; differed intercompany transactions; inside and outside basis, and capital gains.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the components of federal taxable income.
- Distinguish between piggy back states and re-compute states
- Discuss the specific types of state addition and subtraction modifications
- Comprehend how the federal consolidated return rules impact state NOLs, basis, deferred gains and even inter-company transfer pricing

Speakers:

Arthur J. Parham, Jr., CPA, CMA

Entergy Services, Inc.
The Woodlands, TX

Marilyn A. Wethekam, Esq.

Horwood Marcus & Berk Chartered
Chicago, IL

10:45-11:00am

Break

11:00-12:00pm

State Fiscal Conditions: Role of Income, Property & Sales Tax

The U.S. economy has expanded since 2009, albeit at slower growth rates than normally expected, but in many cases state and local tax revenues have failed to evidence comparable growth. For example, corporate taxes in most states have risen slowly despite relatively strong corporate profits. A number of causes can be identified. Tax policy decisions have slowed revenues in some states, such as Kansas and selected states that have enacted strong property tax limitations. Other states are affected by narrow tax bases (such as limited sales taxation of services and difficulties in collecting use taxes due on remote transactions). At the same time, others are limited by underlying economic trends, such as oil price states.

This session begins by reviewing current and recent state and local tax performance across the U.S. Analysis of key policy decisions currently being made or considered for the property, sales, personal income, and corporate income taxes follows. The session concludes with discussion of some likely future policy trends.

Learning Objectives: At the end of this session, the attendee will be able to:

- Recognize the current trends in state and local tax policy, particularly focused on the major revenue sources of income, property and sales taxes
- Identify current factors driving changes in tax policy
- Recall current policy decisions discussed and their influence on future policy trends

Speaker:

William F. Fox, Ph.D.

University of Tennessee
Knoxville, TN

12:00-1:30pm

Lunch

1:30-2:30pm

States Thinking Globally – Taxation and Reporting of Foreign Source Income

This session will provide an overview of federal taxation of foreign income as well as an analysis of state approaches to taxing foreign source income including the use of tax haven concepts. We will analyze the potential challenges to these approaches and discuss potential planning opportunities.

This session will also provide an analysis of recent international taxation regulation and legislation including inversions and U.S. adoption of the OECD's BEPS Action Items.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the ways in which foreign source income is subject to federal taxation
- Comprehend the trend toward the state taxation of foreign source income
- Identify the states that have adopted the tax haven concept
- Understand the impact of the tax haven concept on the computation of base income, apportionment and overall tax liability
- Identify potential challenges to the taxation of foreign source income.
- Understand the impact and scope of federal inversion rules and BEPs

Speakers:

Beverly Luther
Ameriprise Financial
Minneapolis, MN

Alysse McLoughlin, Esq.
McDermott Will & Emery LLP
New York, NY

2:30-3:30pm

Transfer Pricing

This session will cover state transfer pricing issues with a focus on the interplay between the state, federal, and international levels; including Competent Authority and the OECD's BEPS initiative. We'll also review the various aspects of state taxation – including nexus, tax base, and apportionment – that can be affected by a transfer pricing adjustment, whether the adjustment is a federal flow through or state initiated. And we'll provide an update on the Multistate Tax Commission's collaborative efforts and other trends in transfer pricing that will require greater awareness by both SALT and international tax practitioners.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the role of transfer pricing in state, federal, and international tax contexts

- Know some of the most important recent state transfer pricing cases
- Know some of the objectives and recommendations of the OECD BEPS initiative
- Anticipate how BEPS may interplay with state taxation
- Identify potential state tax impacts of a transfer pricing adjustment at the state or federal level

Speakers:

Keith Robinson

PricewaterhouseCoopers LLP
Atlanta, GA

Shirley K. Sicilian, Esq.

KPMG LLP
Washington, DC

3:30-3:45pm

Break

3:45-4:45pm

Accounting for State Income Taxes

This presentation will review the key financial accounting pronouncements that apply to tax provisions and discuss their scope and basic principles. This session will also discuss recent Court decisions, remedies, and the accounting treatment for the impact of those decisions.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the key financial accounting pronouncements and their application
- Identify uncertain tax positions and the various considerations when taking return positions
- Understand different approaches to accounting for recent state tax decisions

Speakers:

Terry J. Gaul, CPA

Grant Thornton LLP
Houston, TX

6:00-7:00pm

Reception

7:00-8:00am Continental Breakfast

9:00-10:30am **SALT Strategy Panel**

This presentation will present a panel that will discuss a holistic view to approaching multistate income taxes. This session will examine different ways to best prepare for an impending audit, how to limit exposures during the audit, and how to best position your company for post-audit. The panelists will discuss important considerations while interacting with your auditor, as well as recent trends and developments in appeals and judicial decisions and how they might impact your company.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand trends in state tax policy and the impact on state tax audits and appeals
- Analyze different ways to think strategically about audit defense tactics
- Think critically about state tax strategy on a multistate level

Speakers:

Mark E. Holcomb, Esq.

Madsen Goldman & Holcomb, LLP
Tallahassee, FL

Alyse McLoughlin, Esq.

McDermott Will & Emery LLP
New York, NY

Mark Volpe

Regeneron Pharmaceutical
Tarrytown, NY

10:30-10:45am Break

10:45-12:00pm **Understanding the Unitary Business Concept in 2016**

This session will discuss the various tests and recent trends to determine what constitutes a unitary business. While there might be Supreme Court case law on the issue, this session will compare the varying states laws and policies, including recent legislative changes, to see how the unitary business concept differs among states. In addition, this session will look at the implications of being a member of unitary group in

TUESDAY, November 15, 2016 (continued)

combined reporting states and the treatment of nonunitary business activities in separate company states.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand and articulate the trends of the unitary business concept amongst the states
- Identify distinctions between different states interpretations of what constitutes a unitary business enterprise
- Understand the impacts of being a member of a unitary group in a combined state
- Understand the toll of the unitary business concept in separate company states

Speakers:

Jack Trachtenberg, Esq.

Reed Smith LLP
New York, NY

Patrick Shrake

Cargill
Minneapolis, MN

12:00-1:30pm

Lunch

1:30-2:30pm

Nexus - Expanding Your State Connection

Businesses operating in multiple states have the increasingly difficult task of identifying the states in which income tax returns are required to be filed. *Nexus* is used to describe the threshold of contact that must exist between a taxpayer and state in order for the state to exercise its right to tax that taxpayer. Yet, as technology continues to evolve and the way we do business continues to change, state tax laws have struggled to transition to a new nexus paradigm. An increasing number of states have abandoned the physical presence nexus standard in favor of an economic nexus standard; however, guidance surrounding economic nexus is vague and many taxpayers are left feeling uncertain about nexus determinations made. This session will examine this recent shift in the nexus paradigm.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the federal constitutional limitations on imposition of state tax, including both the Commerce and Due Process Clauses

Tuesday, November 15 2016 (continued)

- Distinguish between income tax and sales/use tax nexus requirements
- Differentiate between economic nexus, affiliate and click-through nexus, and statutory nexus
- Be aware of current challenges to states imposition of nexus
- Learn strategies to minimize the impact of economic nexus standards on your business

Speakers:

Charles Jones, J.D., CPA

Grant Thornton LLP

Chicago, IL

2:30-3:30pm

Planning for and Defending Against Market Based Sourcing

This session will discuss recent trends in market-based sourcing as most states move towards a single sales factor. This session will look at how some state laws, and state interpretations, differ and discuss opportunities around the various market sourcing statutes. The presenters will also provide guidance on determining and documenting your market.

Learning Objectives: At the end of this session, the attendee will be able to:

- Identify trends in market sourcing
- Understand different state variations on market sourcing
- Think about sourcing alternatives under the market sourcing guidelines

Speakers:

John F. Fletcher, Esq.

Jones Walker LLP

Jackson, MS

Glenn C. McCoy, Jr., CMI, Esq.

KPMG LLP

New York, NY

3:30-4:00pm

Break

4:00-5:00pm

Alternative Apportionment

State statutes seem to be woefully behind the development of business models. Rather than adopt new statutes, states are relying on a number of techniques including UDITPA Section 18 and the Director's authority to properly reflect income gen-

TUESDAY, November 15, 2016 (continued)

erated in the state. Both of these methods create some due process and foreseeability issues as taxpayers following state statutes are being questioned during audits. Is there an opportunity for taxpayers to request or demand equal treatment. This session will look at the pre-requisites for alternative apportionment and examine who bears the burdens of variances from the statutes.

Learning Objectives: At the end of this session, the attendee will be able to:

- Understand the historical background of UDITPA Section 18 and its intended application
- Comprehend what the burden of proof is to vary from the statutory apportionment formula and who bears the burden
- Discuss current case law and the ways alternative apportionment is being approved or denied by state courts
- Explain the opportunities available for business that do not meet the standard apportionment formulas

Speakers:

Rick Bodnum, CME
Group, Inc.
Chicago, IL

Breen M. Schiller, Esq.
Horwood Marcus & Berk Chartered
Chicago, IL

6:00-7:00pm Reception

WEDNESDAY, November 16, 2016

7:00-8:00am Continental Breakfast

8:00-9:00am **Avoiding the State Tax Perils of Operating as a Flow Through Entity**

This session will look at the issues and potential pitfalls faced by flow through entities related to compliance with state income and alternative taxation. The presenters will provide guidance on issue spotting and will discuss practical solutions. The session will touch upon the following topics: non-resident withholding and composite reporting and payments, apportionment or allocation of income, nexus and taxation at the flow through entity level, complications faced by tiered structures, and characterization of income associated with

WEDNESDAY, November 16, 2016 (continued)

restructurings and transactions. The presenters will also provide practical guidance on every day, but sometimes forgotten issues, such as the new federal income tax return due date change for partnerships and how the states may have adjusted.”

Learning objectives: At the end of this session, the attendee will be able to:

- Learn to spot flow through entity issues including when the entity itself is subject to taxation.
- Learn how to report and make payments so as to avoid state tax notices, interest and penalties.
- Learn how to evaluate and characterize income as well as apportionment reporting to best satisfy the state taxing authorities and your partners, members and shareholders.

Speakers:

Gary C. Bingel, CMI, CPA, Esq.

EisnerAmper LLP

Iselin, NJ

Karin Ecroyd, CPA

Advance Finance Group LLC

New York, NY

9:00-9:15am

Break

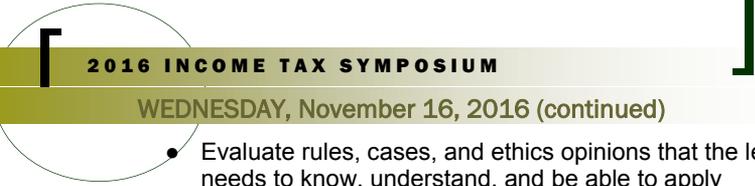
9:15-11:15am

Ethics Rock Extreme!

This unique legal and accounting ethics seminar combines current ethics problems in both fields, advice, news and interactive hypotheticals with professionally performed parodies of some of the greatest rock and roll songs ever written. Customized and up-to-the-minute, the session will challenge participants to solve difficult legal and accounting ethics dilemmas, all based on actual cases, led by lawyer ethicist Jack Marshall. The scenarios will be sung in new parody versions of pop and rock classics from such legends as Paul Simon, Elton John, Bob Dylan, Paul McCartney, Queen, Billy Joel and others, all by professional guitarist/singer/actor Mike Messer.

Learning Objectives: At the end of this session the attendee will be able to

- Identify new tools for vital professional ethics analysis in practice situation
- Recognize changes in the ethics landscape and dangerous variations among jurisdictions



2016 INCOME TAX SYMPOSIUM

WEDNESDAY, November 16, 2016 (continued)

- Evaluate rules, cases, and ethics opinions that the learner needs to know, understand, and be able to apply

Speakers:

Jack Marshall

ProEthics, Ltd.

Alexandria, VA

11:15-11:30am Closing

PROGRAM INFORMATION

Any IPT member or employee of a company/firm with member(s) in the Institute may register for the Symposium. The registration fee provides for the usual Symposium expenses and also includes two luncheons, three receptions, refreshment breaks and Symposium materials. Admission to all social functions and sessions is by display of badge (tickets when applicable).

The early registration fee for IPT members is **\$595 before October 21, 2016, and \$645 after October 21, 2016. Registrants thus save \$50 if payment is received prior to October 21, 2016.** For individuals who are not members of IPT, but whose company or firm has members in IPT, the total Symposium fee for non-members would be **\$845 before October 21, 2016 and \$895 after October 21, 2016.** Provided your company already has a member in IPT, you may join as an Associate Member. You would pay **\$275 for membership in IPT and \$595 for attending the Symposium for a total fee of \$870 before October 21, 2016, and \$920 after October 21, 2016.** Dues are nonrefundable even if registration is canceled. See [registration form](#). Members may also register for the Symposium online at IPT's website, www.ipt.org. Please follow the instructions on the sign-in page. A confirmation of acceptance will be emailed.

All requests for refunds must be in writing. No refunds for cancellations will be given after October 28, 2016 (5:00 pm EST). If a person registers on site, there will be an additional \$50 charge. For more information regarding administrative policies such as complaint and refund, please contact our office at 404-240-2300.

There is a substitution charge of \$40 on or before October 21, 2016; it becomes a \$50 charge after that date (a substitute must be someone from your company).

All fees must be in U.S. funds. The following credit cards may be used: American Express, VISA, and MasterCard. In order for credit cards to be processed, it is important that the information requested on the registration form be filled out completely.

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PROGRAM INFORMATION

Hotel Information and Reservations:

The Income Tax Symposium is being held at the Westin La Paloma, 3800 E. Sunrise Drive, Tucson, AZ. There are separate costs for the hotel. Click here for [online hotel reservations](#) or call 888-627-7201 to request a room in the IPT room-block. Mention that you are attending an IPT Symposium in all contact with the hotel in order to receive the group rate of \$199 single/\$229 double. Room reservations and special requests should be made directly with the hotel as soon as possible. **Reservations requested after the room block is filled or beyond the cut-off date of October 19, 2016, whichever comes first, are subject to availability.** Rooms may still be available after the room block fills or beyond the cut-off date, but not necessarily at the group rate. All reservations must be accompanied by a first-night room deposit or guaranteed with a major credit card.

Ground Transportation: The hotel does not provide shuttle service to the airport. Cab fare is approximately \$50. Transportation is available through [Arizona Stagecoach](#) shuttle service and [Integrity Transportation Services](#). There is no charge for self parking and the valet parking charge is \$20.

Continuing Education Credits:

Approximately eighteen (18.5) CPE credits (including 2 IPT ethics credit hour) are available for full attendance Monday through Wednesday. Each attendee will be able to obtain a copy of his or her scanned attendance (Certificate of Attendance) through the IPT website on the "My Participation" tab approximately two weeks after the end of the program.

IPT must verify individual attendance at sessions in order to grant continuing education credits. Each attendee's name badge has a unique barcode that identifies that individual. All current CMIs and CCIPs registered for the Symposium will have a special color-coded badge to signify the CMI or CCIP designation. In order to obtain CE credit, each individual must scan his or her bar-coded badge during the first 15 minutes of each session. No credit for the session will be given to un-scanned attendees. CMIs and CCIPs will receive hour-for-hour continuing education credits for actual session attendance.

A lost name badge should be reported immediately, or at the break, to the registration desk in order to obtain a replacement.

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PROGRAM INFORMATION

istry of CPE Sponsors, CPE credits are granted based on a 50-minute hour.

IPT files a Continuing Legal Education (CLE) application with the state in which the program is held. Any fee imposed by an individual state (Arizona) based on an individual's credit hours is the responsibility of the individual.

Recommended Field of Study: Taxes & Regulatory Ethics

Prerequisites: 3 years' professional experience recommended

Instructional Method: Group Live

Advance Preparation Required: None

Program Level: Intermediate

Symposium Materials:

Approximately a week prior to the program, materials will be available online for access by program attendees. Click the sign-in button on the upper right-hand corner of the home page and login with your Username (Record ID #) and password; it will take you back to the home page. Click on your name in the top right-hand corner of the home page, then click the "My Participation" tab on your member page where you will see meetings for which you are currently registered. Find the 2016 Income Tax Symposium Program and go to the [Click Here](#) link on the right under Program Info to view and print available materials.

Consent to Use of Photographic Images:

Photos will be taken at this event. These may be published in IPT publications, multimedia presentations, website, LinkedIn and Facebook pages, and other IPT related social media sites. Registration and attendance at, or participation in, IPT meetings or other activities constitutes agreement by the registrant/speaker/attendee to IPT's use and distribution of the registrant's, speaker's, or attendee's image or voice in photographs, videotapes, electronic reproductions, and tapes of such events and activities.

Tape recording of sessions is not permitted.

Dress: For the Symposium, business casual dress is appropriate throughout the daytime sessions.

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