

FROM THE CHAIR

by Paul J. Sax, San Francisco, CA



PAUL J. SAX

STATE OF THE SECTION

The time of this writing finds the Section of Taxation well-reflected in the public eye, well-positioned in the tax community, financially strong and maintaining its core activity of providing the best CLE the profession can offer.

Under the leadership of my talented successor, Pamela F. Olson of Skadden, Arps, Meagher & Flom LLP, Washington, DC, and given her seasoned understanding of the Section, this is a time of great promise. Lost will be the services of the most effective group of senior officers in memory, Vice Chair (Publications) Gersham Goldstein of Stoel Rives LLP, Portland, Oregon, whose work is well-reflected in the high quality of *The Tax Lawyer* and the *Newsletter*; Vice Chair (Administration) Stuart J. Offer of Morrison & Foerster LLP, San Francisco, California, who guided the Section into the electronic age through our LEXIS Publishing™ arrangement; and Vice Chair (Committee Operations) Ronald D. Aucutt of McGuire, Woods, Battle & Boothe LLP, McLean, Virginia, who so nicely carried our goodwill and spirit of cooperation out to the Committee membership. Continuing

will be Vice Chair (Professional Services) Susan P. Serota of Winthrop, Stimson, Putnam & Roberts, New York, New York, who so seamlessly lead our CLE effort and made our *Comm-Online* searchable database a reality; Vice Chair (Communications) William J. Wilkins of Wilmer, Cutler & Pickering, Washington, DC, who provided the exceptional vision behind our pioneering media relations campaign; and the much respected mastermind of our government affairs, Vice Chair (Government Relations) John E. Chapoton of Vinson & Elkins LLP, Washington, DC. Coming aboard are Vice Chair (Administration) Nicholas S. Freud of Jeffer, Mangels, Butler & Marmaro LLP, San Francisco, California, Vice Chair (Committee Operations) Donald L. Korb of Thompson, Hine and Flory LLP, Cleveland, Ohio, Vice Chair (Publications) Patricia Ann Metzger of Hutchins, Wheeler & Dittmar PC, Boston, Massachusetts, and Chair-Elect Richard M. Lipton of McDermott, Will & Emery, Chicago, Illinois. I am happy to entrust the Section to their hands, and pleased to wish them every success.

The Section is being heard. Our letters to the Hill and testimony before tax writing and small business committees have been an important part of the dialogue to “repeal the repeal” of the installment method for accrual taxpayers, already passed by the House. Our Code simplification effort with TEI and AICPA is bearing fruit, the Joint Committee having announced a plan to produce by January 31, 2001, a simplification package we expect to be modeled upon our recommendations. We have been the leader in bringing the light of public scrutiny to the darkness of current tax shelter practices; the press is now attuned to the marketing of “tax products” to the Fortune 500

companies and how its proliferation to high net worth individuals is beginning to threaten the viability of the tax system. We received the highest award the Commissioner of Internal Revenue can bestow, for our role in the IRS Modernization effort and Conference. And we have reached out to the young people of America, jointly with the IRS distributing 78,000 CD-ROMs of our TAXi educational program for use by high school teachers. Ours is an organization of which it is easy to be proud.

STATE OF THE PROFESSION

In our “Courtesy Call” meetings on the Hill, we were given a clear message: Clean up your professional practices before the Congress does it for you. No one appreciates more fully than we the surgical results that the Congressional meat-ax can produce. We live daily with the Internal Revenue Code. Our work is under way to address applicability of Circular 230 to promoters of tax shelters and their advisers, supplementary to our October 29 proposal on “penalty protection” tax opinions. We will continue to advance our agenda that the professionals are an important but relatively small part of the problem, urging reliance on a bipartisan legislative package that will reflect our penalty proposals and redeployment of IRS resources for vigorous enforcement, based on refined and workable disclosure and customer list regulations, and carefully

Counsel
to the
Tax System

conceived and executed criminal enforcement.

KUDOS

Our sincere thanks and praise are warmly extended for the following exceptional contributions:

- Fred T. Witt, Jr. of Deloitte & Touche LLP, Phoenix, Arizona, and his working group, for our letters to the Hill so effectively urging restoration of section 453 for accrual taxpayers;
- Helen M. Hubbard of Ernst & Young LLP, Washington, DC, and Professor Annette Nellen of San Jose State University for their work with Chair-Elect Pam Olson drafting our excellent cash method testimony before the House Small Business Committee;
- Richard C. Stark of McKee Nelson Ernst & Young LLP, Washington, DC, for his ever-thoughtful guidance of our testimonies on penalty and interest reform;
- Vice Chair Buck Chapoton for drafting our reply to Senator Moynihan's inquiry, with customary balance and insight addressing the need for revitalization of ethical standards in our profession;
- Ronald A. Pearlman, freshly re-potted as Professor at Georgetown University Law Center, who has with consummate skill led and inspired our Corporate Tax Shelters Task Force, for that as well as our important testimony before the Senate Finance Committee; and
- Phillip L. Mann of Miller & Chevalier, Chartered, Washington, DC, for his continuing guidance of the modernization of the Internal Revenue Service and of the Section itself, but mostly for his astute and devoted stewardship of the Section. ■