

Tax Section of the Florida Bar

September 2016 E-Newsletter

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MEETINGS **(SAVE THESE DATES)**

2016 Fall Meeting

October 13-15, 2016

The Vinoy® Renaissance St. Petersburg Resort & Golf Club

501 5th Ave NE, St. Petersburg, FL 33701

(727) 894-1000

Tentative Schedule

Thursday, October 13 - 4:00-6:00 pm - Directors' Committee
7:00-? Cocktails followed by Dinner (offsite)

Friday, October 14 - 8:30-5:30 pm - Fall CLE Program
5:30-7:00 pm - Chair's Welcome Reception
Dinner on your own

Saturday, October 15 - 7:30-9:30 am - Breakfast Buffet
8:00-Noon - Section Division and Committee Meetings
Noon-2:00 pm - Executive Council Meeting and Luncheon
12:30-2:00 pm - Spouse/Guests Luncheon
2:15 pm - Departure for Docent Tour of Salvador Dali Museum
Dinner on your own

[CLICK HERE FOR THE VINOY RESERVATIONS](#)

**Fall CLE program on October 14th
on the topic of Advanced Income Tax Planning for Family Businesses,
their Owners and related Family Charitable Entities**

[Click Here For CLE Brochure](#)

**At the Fall Meeting – State Tax Division Meeting:
Don't Miss Dick Jacobs' Discussion on Sea Level Rise**

During the State Tax Division meeting at the Fall Meeting on October 15th, Past Chair of the Tax Section, attorney and author Richard O. "Dick" Jacobs of Johnson Pope will speak about the tax implications of sea level rise in Florida.

The potential impact of rising sea levels on Florida is staggering. It is a huge potential issue that implicates numerous parts of our government and political system. In October, we will examine the issue through the lens of Florida's tax system. Florida's local governments are heavily dependent on property taxes, particularly property taxes supported by high coastal values. What might happen if waterfront areas are "underwater" – literally – due to sea level rise? With the threat of sea level rise to South Florida, Tampa Bay, and other coastal regions, this tax system may not be able to generate ample revenues for necessary governmental services. How could the Florida tax system adjust to finance critical infrastructure to handle the future? Working on a revision to our state and local tax system will be an important tool for future state leaders.

Directors' Committee Meeting and Past Chairs' CLE

March 2-5, 2017

Villagio Inn and Spa, Yountville, California

2017 Annual Meeting

May 4-7, 2017

The Breakers, Palm Beach

Advanced Level CLE Program to be held at the 2017 Annual Meeting
on Tax Controversies and Procedure
Friday, May 5, 2017

Visit the Tax Section website for more information: <http://www.floridatlawyers.org>

LIVE CLE PROGRAMS

International Tax Conference and ITC Bootcamp

January 4-6, 2017

JW Marriott

1109 Brickell Avenue

Miami, Florida

Special Group Rate Starts at \$309 Per Night

Representing the Physician

Friday, February 3, 2017

Rosen Centre Hotel

9840 International Drive

Orlando, Florida

Wealth Protection

Friday, April 7, 2017

Hyatt Regency Hotel

400 S.E. 2nd Avenue

Miami, Florida

PHONE CLE

- **Division:** Fed Tax Division of the Florida Bar Tax Section

Date: 9/6/2016 11:30 a.m. – 12:30 p.m.

Speaker: David Pratt

Topic: The Recently Proposed Section 2704 Regulations: What's All the Hoopla About?

Description: This presentation discusses the proposed regulations recently issued under Section 2704 of the Code. The presentation will highlight the history and mechanics of Section 2704 of the Code and the proposed regulations, and will highlight important changes to the law under the proposed regulations. The presentation will also discuss the proposed regulations' impact and identify potential planning opportunities.

The CLE will be free and worth 1 credit

Location: Tel: (712) 432-0900, Code: 611713

- **Division:** Fed Tax Division of the Florida Bar Tax Section
Date: 9/14/2016 12 p.m. – 1 p.m.
Speaker: James Schmidt
Topic: Rev. Proc. 2002-22 and Tax Rules Relating to Tenant in Common Structures
Description: The IRS has rules that apply to and define Tenant in Common ownership structures. Whether or not a TIC complies with these rules, and would not otherwise be deemed to be a partnership, can have significant consequences for real estate investments, especially those that seek to take advantage of Section 1031 exchanges. This program will cover the Revenue Procedure and some of the commentary that has been written about those rules.
The CLE will be free and worth 1 credit
Location: Tel: (712) 432-0900, Code: 611713
- **Division:** Fed Tax Division of the Florida Bar Tax Section
Date: 9/28/2016 12 p.m. – 1 p.m.
Speakers: Steven Hadjilogiou & Mike Bruno
Topic: US Tax Issues of Cuba Investment
Description: This presentation will cover the US tax options for US companies that are permitted to do business in Cuba. We also will discuss how best to address US tax challenges that are particular to an operation in Cuba. Finally, we will outline the Cuban taxes that generally apply to a US company that is engaged in a permitted business in Cuba and how best to mitigate the applicable Cuban taxes.
The CLE will be free and worth 1 credit
Location: Tel: (712) 432-0900, Code: 611713

WRITING OPPORTUNITIES

Florida Bar Tax Section Bulletin

Are you interested in publishing an article that will be circulated to the 2000 plus members of the Tax Section? If so, preparing an article for the Tax Section Bulletin is a great way to gain notoriety in the Section and beyond. Please contact any one of the following Tax Section representatives if you are interested:

Greg McLaughlin

954-760-4925

gam@trippscott.com

Tax Section Comments on IRS Regulation Projects

The Tax Section has members working on comments on the following IRS regulation projects. If you are interested in participating in either comment project contact Brian Harris at brian.harris@akerman.com.

(1) **Transfers of Property to Partnerships with Related Foreign Persons.** We are looking at putting together a group and are soliciting volunteers to prepare comments in response to Notice 2015-54, Transfers of Property to Partnerships with Related Foreign Partners and Controlled Transactions Involving Partnerships. Notice 2015-54 is aimed at IP migrations that utilize partnerships. A typical IP migration involves a transfer of IP from a US company to a foreign company. As such, the use of partnerships is the less frequently used approach. Portions of Notice 2015-54 mandate the use of the remedial method under Code Section 704(c) to cause the US contributor to have income, and portions seemingly apply IRC 482 principles in a manner this is possibly inconsistent with the *Veritas* decision and invokes the income allocation rules used by the current cost sharing rules under Treas. Reg. Section 1.482-7. The cost sharing rules require that a significant amount of profits earned by contributed IP be allocated to the contributing cost sharing participant. As such, the application of the cost sharing approach to partnerships may exceed the IRS's authority. The impact of the Notice 2015-54 may extend to other areas of partnership tax and maybe even estate and gift tax planning.

(2) **FIRPTA Reorganizations.** We are currently looking at the Requested Exclusion of FIRPTA Reorganizations from Corporate Inversion Rules. The principal covered Code Sections are 7874 and 897. Participants include: Jim Barrett, Bob Hudson, Steve Hadjilogiou, Jeff Rubinger, Joe McFarland, James Schmidt, Summer LePree, Ceci Hassan, Bobby Moore, Michael Bruno, Adam Smith, Alfredo Tamayo and Hans Tanzler IV. There is no comments deadline and this project is ongoing.

(3) **Partnership Audit Rules.** We are looking at putting together a group and are soliciting volunteers to prepare comments in response to Notice 2016-23, Implementation of the New Partnership Audit Regime Enacted as Part of the Bipartisan Budget Act of 2015.

(4) **Valuation Discounts.** The section is putting together a team to draft comments on the proposed Section 2704 regulations (REG-163113-02). The project may be a joint project with the RPPTL Section. The comment deadline is 90 days from the August 2, 2016, publication date.

Pro Bono Volunteer Opportunities

Florida's Low Income Taxpayer Clinics (LITCs) assist low income taxpayers with IRS controversies, including, collections, liability disputes and Tax Court petitions. Studies show that representation significantly increases positive outcomes for low income taxpayers. If interested in representing a low income taxpayer, please directly contact the LTC nearest you (for a complete list of the LITCs in Florida, go to www.lsgmi.org and click on Low Income Taxpayer Clinic under Quick Links.

Volunteers needed for the U.S. Tax Court Pro-Bono Calendar Call Program. The Program is designed to have local tax practitioners volunteer their time to pro se taxpayers during Small Case calendar call sessions

without entering their name as the attorney of record. If you are interested in participating, please contact Karen J. Lapekas at 305-600-1485 or karen@lapekaslaw.com.

Fed Tax and State Tax ListServ's

The Tax Section has made Listserv's available to members to exchange ideas, opinions, information, and comments in a positive and professional environment. The Tax Section Listserv sign up, how the Tax Section Listserv works and the applicable rules for participants can be found at <http://floridatallaxlawyers.org/listserv/>.

Sponsors

The Tax Section thanks the following businesses for supporting Tax Section activities:

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Questions or comments, please email Chris Hargett at chargett@flabar.org or visit our website at www.floridatallaxlawyers.org