

# TAX TALK

Published by the Section of Taxation of the Maryland State Bar Association, Inc.

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Volume XV Number 2

June 2007

## FROM THE CHAIR

By Bryan W. Young

I decided to start my final "From the Chair" by informing those who did not attend the Shulbank dinner what a wonderful night they missed. Of all of the Shulbank dinners I have attended this one stands alone. First, the Ron Shiff Pro Bono Award recipient, Alan Van Luven, provided an excellent example of giving time and expertise to those in need. We were informed by the Maryland Volunteer Lawyers Service that on many occasions when AJ finished one of his numerous pro bono cases, he would call and ask for another case. He is a truly deserving recipient.

Next came the unexpected entertainment provided by Ted Hirsh. Ted introduced Bob Rombro, the Tax Excellence Award recipient. Put simply, Ted provided a hilarious roast of Bob that had everyone in stitches. Bob's acceptance speech was equally funny and entertaining. Bob Rombro's accomplishments are too numerous to detail here. Suffice to say, he truly deserves the award. Our keynote speaker, Comptroller Peter Franchot, was very engaging and was very accessible after his presentation. The Comptroller indicated he would like to rely on the Tax Section and Tax Council for input on legislation and other issues. This will be a huge plus for the Section going forward.

I would be remiss if I did not provide Katherine Mary Rafferty with some well deserved kudos. Katherine single handedly organized the Shulbank Dinner from top to bottom. From obtaining sponsors for the event to handling last minute surprises, she put on a wonderful event. Katherine, Thank You!

As you probably know, the MSBA Annual Meeting is in Ocean City from June 13 thru June 16, 2007. This year is the Joint Bench Bar meeting. The Tax Section's program is on June 14<sup>th</sup> from 8-10:30 am and is entitled "The Tax Consequences of Litigation Settlements & Verdicts." We have a very impressive panel including The Honorable W. Michel

Pierson, Circuit Court for Baltimore City. A complimentary continental breakfast will be provided. Please see the announcement of the program in this edition of Tax Talk. I hope to see you there.

This year was an active one for proposed tax legislation in Maryland. Very little of the proposed legislation passed or was acted upon. The consensus appears to be that the legislature was sending up "weather balloons" to see what proposals got the least resistance. With Maryland's structural deficit, we are definitely going to see a number of new taxes and tax increases next session. The question will be how much and that will depend upon if slots are legalized.

The Council was active again this year regarding a number of bills. Next year will be a far more challenging year for the Section and the Tax Council because of the anticipated amount of tax legislation. The Tax Section is fortunate to have a truly talented Tax Council for the coming year. Measures have already been started by Council members to prepare for the tax legislation onslaught.

As your outgoing Chair, I believe you could not have a better group of officers to deal with this challenge than those taking office for the coming year. Jim Dawson (Incoming Chair), Caroline Ciraolo (Incoming Chair-Elect), and Jessica Lubar (Incoming Secretary/Treasurer) will serve the Section with distinction.

With that said, I want to thank you for the honor and privilege of serving as the Section Chair this year. It was truly enjoyable. I also, want to thank everyone on the Council. You are a tremendous group and always answered the call to serve. THANK YOU!



# OPEN INVITATION



The Maryland State Bar Association, Section of Taxation cordially invites all members of the Section of Tax Law to attend the following program in Ocean City, Maryland at the MSBA Convention:

## **TAX CONSEQUENCES OF LITIGATION SETTLEMENTS AND VERDICTS**

Thursday June 14<sup>th</sup>, 2007  
8:00 a.m. – 10:30 a.m.  
(Continental Breakfast will be served)

This Program will address issues including taxability of damage awards and settlements relating to personal injury, employment related cases, lost profits and attorneys fees. The Program will also discuss Structured Settlements and deductibility of payments including attorneys' fees and costs.

Program Chairs: David J. Polashuk, Esquire, Levy, Mann, Caplan, Hermann & Polashuk, LLP / Steven M. Gevarter, Esquire, Miles & Stockbridge, P.C.

Speakers/Participants: Honorable Judge Michel Pierson, Baltimore City Circuit Court / Caroline D. Ciralo, Esquire, Rosenberg, Martin, Greenberg, LLP / Chaya Kundra, Esquire, Kundra & Associates, P.C. / Kathleen Howard Meredith, Esquire, Iliff & Meredith, P.C. / Kathleen Pontone, Esquire, Miles & Stockbridge, LLP / Robert A. Rombro, Esquire, Robert A. Rombro, Law Office / Darrell Van Deusen, Esquire, Kollman & Saucier, P.A.

# *Maryland State Bar Association*

## *Section of Taxation*

### *Annual Awards and Recipients*

#### **J. Ronald Shiff Memorial Pro Bono Award**

J. Ronald Shiff was a Member of Gordon, Feinblatt, Rothman, Hoffberger and Hollander, LLC in Baltimore. He died suddenly in May of 2004 at the age of 45.

Mr. Shiff was a former Chair of the Taxation Section and a member of the Taxation Section Council. He was the author of many articles on taxation, was a frequent speaker and was an adjunct professor at the University of Baltimore.

During his tenure on the Section Council, Mr. Shiff worked tirelessly to strengthen the Tax Section's pro bono activities. Under his leadership as Chair of the Section, the Earned Income Tax Credit Clinic was established. During his years in practice, Mr. Shiff provided countless hours of pro bono legal work for individuals and many non-profit organizations.

To commemorate Mr. Shiff's memory, the Tax Section established the J. Ronald Shiff Memorial Pro Bono Award to be awarded annually beginning in 2006 to recognize the dedication of an attorney or law firm which epitomizes commitment to pro bono service in the field of taxation. The first recipient was Michael A. Canet.

This year's recipient is Alan J. Van Luven, who is an associate attorney with the law firm of Summerfield, Willen, Silverberg & Linsky, P.A. in Owings Mills, Maryland. He has provided invaluable assistance to a great many individuals through his work with the Low Income Tax Clinic that is organized by the Maryland Volunteer Legal Services (MVLS). In addition to those volunteer activities, he provided planning services for the 60 Plus Program ( a service to elderly individuals of limited means) and supported the Baltimore County Bar Association's program for low-income seniors. He also accepted pro bono referrals from the Legal Aid Bureau and other service providers to assist low-income seniors with estate planning.

#### **Tax Excellence Award**

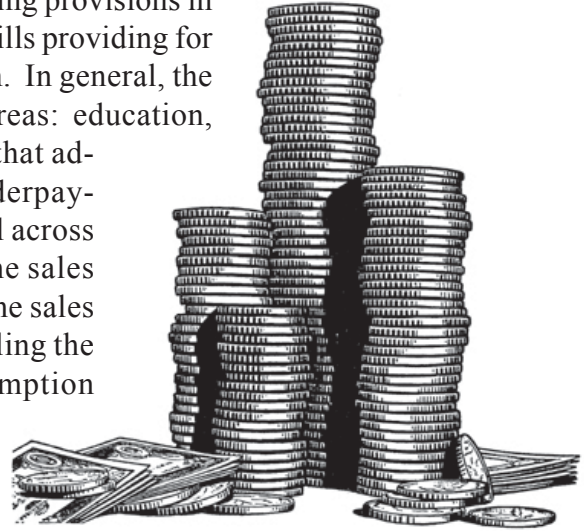
The Tax Excellence Award is presented annually to an attorney, law school professor, public official or member of the judiciary who exemplifies professional, academic or public service excellence, integrity, compassion and commitment in the areas of practicing, teaching or developing tax law or tax policy. Past recipients of the Tax Excellence Award include the Honorable L. Paige Marvel, Stephen M. Cordi, Theodore W. Hirsh, N. Alfred Pasternak, J. Ronald Shiff (posthumously) and Evelyn W. Pasquier

This year's recipient of the Tax Excellence Award is Robert A. Rombro. Mr. Rombro has served as a law clerk to the Honorable Cynthia Holcomb Hall of the United States Tax Court. His practice now focuses on general tax matters, mergers and acquisitions, and corporate, partnership and estate planning.

Mr. Rombro has authored many law review and law journal articles on various tax matters. The list of courses that Mr. Rombro has taught for MICPEL is extensive and covers such matters as the tax aspects of the purchase, ownership and sale of personal residences, the tax implications of separation and divorce, business entity planning, tax audits and the organization of professional practices. He is also a co-editor of "Maryland Taxes," a two-volume treatise on various aspects of Maryland taxation, which is now in its fourth edition. His public service includes serving on the Governor's commission which studied the Maryland Tax Court and the Governor's commission to revise the Annotated Code of Maryland.

# The 2007 General Assembly Session – The Tax Lawyer’s Perspective

This session saw the introduction of many bills addressing tax and revenue increases and many provisions dealing with credits. However, not many were passed. It is fair to say that we should expect to see most, if not all, of the failed revenue raising provisions in the next legislative session. What will happen to the bills providing for tax credits or subtraction modifications is less certain. In general, the tax credit/reduction bills focused on three primary areas: education, environment and health care. There was also a bill that addressed the interest rate charged by the state on underpayments of tax. The revenue raising provisions were all across the board but of particular note were bills raising the sales tax rate and bills increasing the services covered by the sales tax. The General Assembly again considered recoupling the Maryland Estate Tax to the federal estate tax exemption amount. One piece of legislation that did pass was a repeal of the withholding requirement for payments to non-resident contractors.



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