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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

ROBERT W. SWANSON
DIRECTOR

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Dear Tax Tribunal Practitioner,

The Tribunal has once again resumed its work on amending the Tribunal's Rules of Practice to streamline the Tribunal's hearing process. It is anticipated that the proposed revisions will be available for publication and hearing early this spring.

Meanwhile, the Tribunal is transitioning to a system of proposed scheduling orders for both property and non-property tax matters. A proposed scheduling order form will be submitted to the parties with the notice of docket number. The form contains, in chronological order, blanks for the parties' specific dates for the naming of witnesses, the completion of discovery, the filing of dispositive motions, the filing of valuation disclosures, exhibit lists, stipulations of fact and dates after which the parties are available for a prehearing and hearing. The parties are then required to complete and return the order by the due date contained in the order. If the Tribunal approves the scheduling order, it will be entered. Based on the parties' agreed upon dates, the Tribunal will also enter an order scheduling a date certain for the filing of prehearing statements; trial briefs, if any; exhibits; and court reporter notification. The hearing order will also provide dates for the conducting of the prehearing conference and hearing.

In addition to the above, the Tribunal is now conducting prehearing conferences on Thursdays only and will conduct prehearing and status conferences telephonically based on a written request submitted prior to the date for the conducting of the conference. There is no fee for the submission of the request.

The goal of these changes is to facilitate earlier management of cases pending at the Tribunal by reducing the number of discovery motions, the number of motions requesting extensions of time or adjournments and substantially reducing the need to issue default orders. A long-term goal is to change the Tribunal's internal processing to enable the Tribunal to best utilize case management, document management and e-filing systems when the Tribunal is able to acquire those systems. The Tribunal will be discussing those long-term goals in a separate list serve.

To further facilitate the management of cases pending at the Tribunal, the Tribunal is in the process of hiring a paralegal to fill a new position with the Tribunal that will assist with the scheduling of hearings, the preparation of templates, and the placement of decisions on the Tribunal's website.

On the legislative front, the Tribunal is working on the reintroduction of last year's legislative package. As you may recall, the Tribunal's legislative package provides for mediation of appeals, conducting of Small Claims proceedings telephonically, filing of exceptions to Small Claims decisions rendered by administrative law judges, removing the limitation on the number of Tribunal members from any one professional discipline, and increasing the Small Claims jurisdictional limitations on non-property tax matters and special assessment appeals from

\$6,000 to \$20,000. The Tribunal anticipates that the bills will be reintroduced in March and scheduled for prompt consideration.

Recent cases of interest include *Nintendo of America v Department of Treasury*, MTT Docket No. 312284 (January 17, 2007), addressing whether revenue received for retail sales was excludable royalty income for SBT tax base purposes; *Joe Lunghamer Chevrolet, Inc v Department of Treasury*, MTT Docket No. 313925 (January 31, 2007), addressing whether bonus payments paid by the General Motors Corporation to a dealership's employees are includable compensation in the dealership's SBT tax base; and *Alvan Motor Freight, Inc v Department of Treasury*, MTT Docket No. 314574 (February 7, 2007), addressing whether an interstate fleet motor carrier is liable for use tax on rolling stock used only in the State of Michigan. Copies of the decisions are available on our website.

We are issuing today a new *Tribunal Notice*. Tribunal Notice 2007-1 addresses the filing of stipulations by a party that has been placed in default and the filing of “*assessor*” stipulations. A copy of the notice is attached for your convenience. The notice is also available on our website.

Finally, the Tribunal is pleased to recognize Judge Judith Trepeck's role in laying the foundation for a major tax conference, similar to the conference conducted annually in Ohio. The conference will be held by the Michigan Association of Certified Public Accountants in conjunction with the State Bar of Michigan and the Michigan Department of Treasury sometime in the fall of 2007. This has been a dream of a number of tax practitioners in Michigan and the Tribunal is grateful for the MACPA's leadership in bringing that dream to reality.

The Tribunal would also like to congratulate several of its former law clerks – Matt Scholtz, Michelle Lowrie, Drew Taylor, Chris Jacobson, Nina Thekdi, Kyung Sung Na, Parama Saovabha, and Tammy Tischler. Matt has accepted a job with Hoffert & Associates, P.C., Michelle has accepted a job with Deloitte and Touche LLP; Drew Taylor works at PricewaterhouseCoopers; Chris has accepted a job with the Department of Treasury as a Corporate Governance Analyst for the Bureau of Investments; Nina is a young associate at Varnum, Riddering, Schmidt and Howlett; Kyung Sung Na, a student intern, has been accepted into the NYU Masters of Tax Program; Parama Saovabha, a student intern, graduated from the NYU Masters of Tax Program last year; and finally, Tammy Tischler graduated from the Wayne State University Masters of Tax Program and joined the firm, Pear, Sperling, Eggan and Daniels, P.C. We wish them all the very best.

The Tribunal is beginning to review student intern and work-study applications for the summer and fall terms. Applicants should provide a cover letter, resume, writing sample and transcript to Lisa Reimbold, P.O. Box 30232, Lansing, Michigan, 48909.

If you have members, colleagues or acquaintances that would benefit from keeping up-to-date with Tribunal developments, simply send an e-mail message to Marijo Wakley at wakleym1@michigan.gov with “SUBSCRIBE” in the subject line. To unsubscribe, simply reply to this e-mail with the word “UNSUBSCRIBE” in the subject line.