

# California's Eagle Lodge West Conference— Tracing Its Roots

By Carley A. Roberts<sup>1</sup>

BAR BUSINESS

Every spring, the California State Bar's State and Local Tax Committee hosts the Eagle Lodge West conference. The conference is designed to provide government and private tax practitioners an opportunity to extensively discuss emerging tax policy problems, with the hope that solutions can be identified and incorporated into legislative or regulatory reform efforts of the California State Bar Tax Section. The annual conference, which began in the early 1990s, traces its roots to the former federal tax Eagle Lodge conference sponsored by the New York University School of Law.

Starting in the late 1970s, NYU began sponsoring an annual by-invitation-only conference held in March at Eagle Lodge, a golf course and conference center in Lafayette Hill, Pennsylvania. The conference, officially named the "Tax Seminar for Government" and later quipped "Eagle Lodge," was originally intended to be a session in which NYU law professors informed U.S. Treasury and Internal Revenue Service people of technical problems and loopholes in the tax laws. The conference eventually evolved into a conference in which Treasury, IRS officials and congressional staff members met with tax professors, economists, and private tax practitioners for discussions of current tax legislation and administrative topics. The conference, with roughly 60-70 participants annually, was intended to facilitate a confidential free flow of information with all participants agreeing that no comments made at the conference were to be attributed to any persons or clients after the conference. Eagle Lodge ended up being the seed for numerous legislative and regulatory reforms supported by Treasury and the development of new administrative approaches.

Given the success of Eagle Lodge at the federal level, the California State Bar's State and Local Tax Committee formed a similar annual program, Eagle Lodge West. Eagle Lodge West was established in the early 1990s to provide California tax agencies (i.e., the Franchise Tax Board, State Board of Equalization and Employment Development Department), and California State Bar tax practitioners with an opportunity to openly examine present issues, current trends and future developments with respect to discrete California tax policy issues. The goal of the conference is to identify solutions to the tax issues discussed at the conference that can be incorporated into legislative or regulatory reform efforts or an administrative legal ruling.

The Chair of the State Bar's State and Local Tax Committee is charged with organizing this annual event. The process is started in the late fall of the preceding year when the Chair contacts the Chief Counsels of California's three tax agencies and solicits input on emerging tax topics that could serve as potential issues

to be discussed at the conference. At the same time, the Chair solicits similar input from the members of State and Local Tax Committee. By early January, the Chair narrows the tax topics to generally three to five topics total, depending on the complexity of the topics. By February, each participating tax agency identifies one to two staff members per topic to participate in the conference and develop background materials and a discussion paper on each topic. The Chair also works with these staff members to identify California tax practitioners who are both knowledgeable and have substantive experience in the practice areas of the selected topics to serve as participants at the conference. The conference is generally limited to 16-18 total participants.

The conference is normally held for two days in either April or early May. Approximately two to three weeks prior to the conference, the background materials and discussion paper on each topic are distributed to the conference participants. The tax practitioners are encouraged to submit any additional background materials and/or additional discussion papers on the topics. Collectively, these materials are intended to streamline the discussion of the topics at the conference, flesh out as many issues as possible relative to each topic, and begin the process of identifying potential resolutions.

During the conference, the participants engage in a candid, off-the-record discussion of each topic. The conference allows both government administrators and members of the California tax bar to engage in full and frank discussions without concern of attribution. To the extent a consensus can be reached on a particular topic, the goal of the conference is to walk away with draft language that can be incorporated into a legislative or regulatory reform effort or an administrative legal ruling.

Eagle Lodge West has had a number of legislative and regulatory proposals that ultimately became law, including California Revenue & Tax Code §17014 (residency safe harbor) and §25105 (unity of ownership) and Title 18, California Code of Regulations §1671.1 (taxability of purchase incentives). Several Franchise Tax Board administrative legal rulings have also resulted from Eagle Lodge West.

The minutes from each Eagle Lodge West conference are published in the *California Tax Lawyer*.

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# Estate and Gift Tax Committee Report

## **General Matters—Educational Activities:**

The Estate and Gift Tax Committee is comprised of attorneys throughout the state of California who devote a significant portion of their practice to understanding the evolving areas of estate and gift tax compliance, as well as provide education and networking for attorneys practicing in the area of estate and gift tax.

One of the primary functions of Estate and Gift Tax Committee is to provide valuable, informative, high quality continuing education programs on behalf of the Taxation Section and the California State Bar. On March 23, 2007, the committee held The 15th Annual Estate and Gift Tax Conference in San Francisco, California. Topics at the conference included the Estate and Gift Tax Roundtable Discussion of Recent Developments, Buy-Sell Agreements and the Family Controlled Entity, Charitable Planning and the Pension Protection Act, Valuation Issues in Life Insurance, and an Update on the California Domestic Partnership Act.

The Committee wishes to extend its gratitude to all of the speakers at these events who made themselves available and graciously contributed their time and knowledge. Thank you for a job well done—we appreciate your generosity and effort!!

The Estate and Gift Tax Committee is sponsoring one program at the State Bar Annual Meeting (September 27–30, 2007) entitled “Estate Planning for Businesses.” The program will cover the nuts and bolts of estate planning for a business owner, including strategies for reducing estate taxes, business succession issues, special elections and out of state tax issues.

Committee members are presently focused on planning programs for the upcoming 2007 Taxation Section Annual Meeting. The Estate and Gift Tax Committee is tentatively scheduled to host the following programs: Practical Considerations For Estate Tax Returns: Audits, Appeals and Tax Court, Estate and Gift Tax Update, Financing Estate Tax Liabilities, Fiduciary Income Tax Issues, Tax Updates for Domestic Partnerships in California.

## **Interest in Participating? Suggestions? Want to Know More?**

The Committee is always looking for speakers and writers. If you are interested, have any suggestions or questions, would like to inquire about the Committee’s activities or become involved, you may contact either of the Committee Chairs, Elizabeth Smith or Wendy Hartman. We welcome your input and interest!

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