UPCOMING EVENTS

APRIL

April 3, 2002
Legal Context of Social Entrepreneurship
Location: Robert H. Smith School of Business, University of Maryland
Speaker: Lloyd Mayer
Mr. Mayer will be a guest speaker at a session of the Social Entrepreneurship program.

April 9, 2002
Council on Foundations Meeting
Location: Washington, DC
Speaker: Marcus Owens
Mr. Owens will give two presentations on “IRS Audit Survival Tips.”

April 24, 2002
American Petroleum Institute’s Federal Tax Forum
Location: Houston, TX
Speaker: Christopher Rizek
Mr. Rizek will speak on “The ABCs of Attorney-Client Privilege.”

April 24-25, 2002
19th Annual Representing and Managing Tax-Exempt Organizations Conference
Location: Georgetown University Law Center, Washington, DC
Speakers: Catherine Livingston and Marcus Owens
On April 25th, Ms. Livingston will speak on “Disaster Relief Activities.” Mr. Owens will be a panelist on the “IRS Audit Workshop Part II: Surviving an IRS Audit.”
For more information, see: http://www.law.georgetown.edu/cle/01_02/teo.html

May 8-10, 2002
Salk Institute Conference on Private Foundations
Location: La Costa Resort and Spa, Carlsbad, CA
Speaker: Thomas Troyer

May 13-14, 2002
University of Southern California Conference on Foundations and Policy Making
Location: Los Angeles, CA
Speaker: Thomas Troyer

June 3-4, 2002
Mealey’s Asbestos Bankruptcy Conference
Location: The Four Seasons Hotel, Chicago, IL
Speakers: Elihu Inselbuch and Peter Lockwood

June 23-25, 2002
The Election Law Summit: Meeting the Challenges of the Coming Elections
Location: Renaissance Hotel, Washington, DC
Speaker: Trevor Potter
Recent Publications

“Summary of Analysis of Bipartisan Campaign Finance Reform Act Passed by House and Senate and sent to President Bush”
Caplin & Drysdale Memorandum
March 20, 2002
By: Trevor Potter and Kirk Jowers
For more information, see:
http://www.caplindrysdale.com/db30/cgi-bin/pubs/summarycampaignfinance.pdf

“Tax Accounting”
Corporate Business Taxation Monthly
February 2002
March 2002
By: James Salles
Mr. Salles’ February and March columns discuss Notice 2001-76 and the accompanying proposed revenue procedure, which allow a lot more taxpayers that sell merchandise to use the cash method of accounting.
For more information, see:
www.caplindrysdale.com/db30/cgi-bin/pubs/Salles2-02.pdf and
www.caplindrysdale.com/db30/cgi-bin/pubs/Salles03-02.pdf

“IRS Form 990 Donor Disclosure”
The Exempt Organization Tax Review
March 2002
By: Marcus Owens and Gregory Colvin
The article explains the problems caused by the IRS’s release of completed Schedules B for the Form 990 despite a statement on the schedule saying it would not be released. The article also provides a few recommendations for resolving this issue. This article was presented and discussed at the American Bar Association, Tax Section, Exempt Organizations Committee meeting on January 18, 2002.
(This article also appeared in the February 14, 2002 edition of Tax Notes Today.)

Notes and Notables

April 2002
New Associate
Marva J. Rowan joined the firm as an associate in the firm’s Washington, D.C. office. She was a summer associate at the firm in 2000. Ms. Rowan’s concentration will be in estate planning.

April 2002
“Need a Good Lawyer?”
Washingtonian Magazine
Cono Namorato is listed as one of the best lawyers in the Washington, DC area.

March 2002
New Appointment
Thomas Troyer has accepted to serve as an Adviser on a project being implemented by the American Law Institute. The project will attempt to create Principles of the Law of Nonprofit Organizations. Mr. Troyer along with other fellow advisers will convene for a meeting in Philadelphia, PA on June 13-14, 2002 to begin the first stages of this project.
March 27, 2002
“The Doug Wright Show”
*KSL Newsradio 1160 – Salt Lake City, UT*
*Kirk Jowers* spoke on President Bush’s signing of the Bipartisan Campaign Reform Act of 2002 and the lawsuits challenging the law.

March 27, 2002
“Weinberger to Step Down From Top Treasury Tax Post”
*Tax Notes Today*
*Christopher Rizek* is quoted in the article about Mark Weinberger’s accomplishments while serving as Treasury Assistant Secretary for Tax Policy.
*(The article also appeared in the March 28, 2002 issue of Worldwide Tax Daily.)*

March 26, 2002
“Consequences of Campaign Finance Reform”
*WBEZ 91.5 FM Chicago - Odyssey*
*Kirk Jowers* participated in a panel discussion on this radio program about the long-term consequences of the campaign finance reform legislation and what its impact will be on the culture of Congress.
*To listen to the program, see:*
[http://www.wbez.org/services/od_ramar02.htm](http://www.wbez.org/services/od_ramar02.htm)

March 28, 2002
“Campaign Finance Enforcement”
*NPR Radio – All Things Considered*
*Trevor Potter* was interviewed regarding the implementation of the new Bipartisan Campaign Finance Reform Act. Mr. Potter’s comments focused on the role the FEC rule-makings will play.
*To listen to the program, go to:*

March 28, 2002
“IRS Does Good Turn for Donors, Donees by Relaxing Substantiation Rules”
*Tax Analysts' Highlights and Documents*
*Tax Notes Today*
In the article, *Catherine Livingston* praises the IRS notice (Notice 2002-25) that relaxes the substantiation rules a bit for donors who gave to charities in the wake of the September 11th terrorist attacks.

March 25, 2002
“Reform’s Defenders Getting Defensive”
*Legal Times*
*Trevor Potter* is mentioned in the article as one of the members of the legal team who will be defending the new campaign finance law.

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**Head of the Class**

April 10, 2002
Location: Yale Law School
Faculty: *Catherine Livingston*
Ms. Livingston will teach the Nonprofit Organizations class.
March 25, 2002
“Campaign Finance Bill’s Supporters Announce Their Legal Defense Efforts”
BNA Money & Politics Report
Trevor Potter is quoted in this article about how he will direct the Campaign and Media Legal Center’s defense of the newly passed campaign finance legislation against constitutional challenges.

March 25, 2002
“EO Conference Covers Intermediate Sanctions, September 11 Charities”
Tax Notes
This article describes Marcus Owens and Catherine Livingston’s presentations at the Washington Non-Profit and Legal Tax Conference. At the conference, Mr. Owens discussed how exempt organizations practitioners need to pay particular attention to the IRS Exempt Organization Division’s auditing function in the year ahead. He also advised practitioners to be aware on pending litigation involving joint ventures between EOs and for-profits and distinctions between donor-advised and donor-directed funds in order to know how to structure joint venture transactions and permissible donor-advised funds. Also at the conference, Catherine Livingston advised exempt organization representatives to apply traditional tax rules to exempt organizations’ Internet activities by looking to rules and safe harbors that normally apply to EOs’ non-Internet activities to resolve Internet-related issues.

March 22, 2002
“A Hero of Democracy Finds a Home”
The Washington Post
Milton Cerny is quoted in the article about the bronze statue of Tomas G. Masaryk, Czechoslovakia’s first president. The statue which was a gift to the United States from the Czech Republic will be unveiled at a joint presidential ceremony featuring President Bush and Czech Republic President Vaclav Havel in September.

March 21, 2002
“Senate Clears Bill Overhauling Campaigns By 60-40; Bush Says He Will Sign Measure”
BNA Money & Politics Report
Trevor Potter raised the question about whether FEC members will continue to oppose the policy provisions of the new campaign finance legislation in the regulatory process. He also mentioned that the FEC may need to be restructured eventually in order to effectively implement and enforce the new legislation over the long term.

March 19, 2002
“IRS Allows Charities to Acknowledge Charitable Contributions by E-mail”
Daily Tax Report
Catherine Livingston discussed the recent revision of Publication 1771, which states that the Internal Revenue Service has approved the use of e-mail by charities to provide written acknowledgement of charitable contributions. The publication also provides guidance to donors and interested taxpayers on permissible taxpayer actions. Ms. Livingston also mentioned that final corporate sponsorship regulations will discuss the effect of a link provided by a university to a corporate sponsor. The IRS will finalize these regulations sometime this year.

March 18, 2002
“Same EO Rules Apply on Internet Highway, Says Former Treasury Official”
Tax Notes Today
In the article, Catherine Livingston advised exempt organization representatives to apply traditional tax rules to exempt organizations’ Internet activities by looking to rules and safe harbors that normally apply to EOs’ non-Internet activities to resolve Internet-related issues. Ms. Livingston also discussed the revised version of Publication 1771, the substantiation issues that can be resolved with charitable fundraising on the Internet, and how other Internet activities that invoke unrelated business income, corporate sponsorship, and political activity analyses are similarly resolved by reliance on the current rules.
March 18, 2002
“IFA Discusses New U.S.-U.K. Treaty, Simplification, and FSC Dispute”
*Tax Notes*

“Business Profits Article of U.K.-U.S. Treaty to Apply Arm’s-Length Standard”
*Tax Notes International Magazine*
(The article also appeared in the March 8, 2002 editions of *Tax Notes Today* and Worldwide Tax Daily.)

David Rosenbloom is quoted in these publications about the OECD transfer pricing guidelines under Article 7(2) of the proposed United Kingdom-United States income tax treaty.

March 16, 2002
“Sunoco Loses Battle Over Foreign Income”
*Tulsa World*

In a recent ruling issued by the U.S. Tax Court in which regulations prohibit the company Sunoco from deducting interest expenses from interest income earned by its subsidiaries overseas, Christopher Rizek stated that “any taxpayer with international operations is going to want to look at this issue.”

March 15, 2002
“New Phase of EO Division Suggests Less Customer-Oriented Interaction, Says Owens”
*Tax Notes Today*

Since the IRS Exempt Organizations Division’s reorganization, Marcus Owens discussed how exempt organizations practitioners will need to pay particular attention to the Division’s auditing function in the year ahead. He also advised practitioners to be aware on pending litigation involving joint ventures between EOs and for-profits and distinctions between donor-advised and donor-directed funds in order to know how to structure joint venture transactions and permissible donor-advised funds.

(A similar article appeared in the March 25, 2002 edition of *Tax Notes.*)

March 14, 2002
“APAs: Staples, Practitioners Debate IRS Decision to Handle Headquarter Cost Issues in PFAs”
*Daily Tax Report*

Patricia Lewis is quoted in the article about the Advance Pricing Agreement (APA) program’s decision to back away fromRegs. Section 1.861-8 matters because the IRS declined to consider two cases involving headquarters expenses.

March 13, 2002
“How Well Do You Know Your Tax Preparer?”
*Forbes.com*

Christopher Rizek mentions how the odds of being audited by the Internal Revenue Service are much greater for individuals who have to do a fair number of complicated tax returns.

March 11, 2002
“Major Parties Pushing for Waivers of 527 Law as New Deadlines Loom”
*Daily Tax Report*

Trevor Potter is quoted about the possible future discussion of changes in the filing deadlines under the Section 527 law so long as it provides relief to candidates and parties that are already adequately disclosing their finances.

March 11, 2002
*Daily Tax Report*

David Rosenbloom expresses his concern about the limitation of benefits provisions in Article 23 of the proposed United Kingdom-United States income tax treaty.

March 8, 2002
“Expect Global Dealing Rules By June 30, Musher Says”
*Daily Tax Report*

Jessica Katz is mentioned in the article about how the IRS still anticipates finalization of the global dealing regulations under tax code Sections 861-865 by June 30, 2002.

March 7, 2002
“Time to Simplify Tax Code? Fat Chance in Election Year”
*Investor’s Business Daily*

Christopher Rizek is quoted about how the government will not enact simplification measures to the tax code due to the way the budget rules operate.
March 7, 2002
“527 Filings Fall Short”
Roll Call
Trevor Potter is quoted about the problems with the 527 legislation, including how the required forms are too lengthy and time consuming for candidates to fill out and how the IRS needs to make gubernatorial candidates more aware that they need to file these forms. Some gubernatorial candidates have to give up some of their campaign finance funds to the IRS in penalties, because they are unaware of this law.
For more information, see: www.caplindrysdales.com/db30/cgi-bin/pubs/527-tp.pdf

March 4, 2002
“Releasing EO Closing Agreements Can Be Beneficial, Owens Says”
Tax Notes
The article discusses Marcus Owens’ recent remarks at a program sponsored by the DC Bar Section of Taxation’s Tax Audits and Litigation Committee that focused on closing agreements between the IRS and taxable and tax-exempt organizations. Mr. Owens mentioned some benefits to the IRS in releasing closing agreements or information about closing agreements and the tools for settling exempt organization issues, such as determination letters and private letter rulings.
(A similar article also appeared in the February 22nd issue of Tax Notes Today.)

March 2002
“Proposed IRS Capitalization Rules Raise Questions”
The Insurance Tax Review
James Salles is quoted in this article about the IRS’s new capitalization rules, which give advance notice of proposed regulations on capitalization issues.
(This article also appeared in the February 20, 2002 edition of Tax Notes Today and the February 18, 2002 edition of Tax Notes.)

March 2002
“Tax Practitioners Praise IRS Reversal on Rite Aid”
The Insurance Tax Review
In the article, Christopher Rizek shares his opinion on the IRS’s decision not to appeal to the Supreme Court the Federal Circuit’s decision in Rite Aid Corp., et al v. United States that the loss disallowance rule of regulation section 1.1502-20 is invalid.
(This article also appeared in the February 4, 2002 edition of Tax Notes and the February 1, 2002 edition of Tax Notes Today.)