



November 29, 2000

Dear Colleague:

Please join us at our second Annual Federal Tax Policy Symposium – *The R&D Tax Credit in the New Economy* – to be held in Washington, DC on February 15-16, 2001. The Tax Council Policy Institute (TCPI) is a non-profit public policy research and educational organization. It was created to help bring about a better understanding of federal tax policies that impact our national economy through careful study, thoughtful evaluation and open discussion. The TCPI is affiliated with The Tax Council, an association for senior level tax professionals who work together to promote sound federal tax policies and a better understanding of our federal tax system.

The TCPI's last Federal Tax Policy Symposium, *INDOPCO: Past, Present and Future*, held in February 2000, was a resounding success. More than 300 top tax professionals from the private sector, government and academia gathered to hear 31 distinguished and knowledgeable speakers discuss one of the more controversial and complex tax issues of the day. In describing the Symposium, an article in *Tax Notes Today* stated "The roster of participants...reads like a "Who's Who" of the tax world. Panels of big league practitioners, notable academics and top government and legislative officials convened in Washington for two days to flesh out controversial capitalization issues."

The upcoming Annual Federal Tax Policy Symposium, *The R&D Tax Credit in the New Economy*, will provide an open discussion on the importance of an R&D Tax Credit incentive in today's economy and will create a common ground from which the operation of the R&D Tax Credit can be analyzed. Panel discussions, featuring many of the top tax professionals in the country today, will debate policy goals underlying the R&D Tax Credit, the operation of the R&D Credit, whether the Credit is meeting policy goals and whether improvements are necessary. CLE and CPE credit will be available for all Symposium attendees.

To ensure that the Symposium meets TCPI's high professional standards, we engaged the services of some of the leading tax professionals in the nation. PricewaterhouseCoopers LLP's Washington National Tax Services office and Miller & Chevalier, Chartered were selected to act as the Program Managers for the Symposium. The tax professionals leading this effort are James R. Shanahan, Jr., Partner, PricewaterhouseCoopers LLP and Alexander Zakupowsky, Jr., Partner, Miller & Chevalier, Chartered.

We look forward to your participation in the upcoming and future Annual Federal Tax Policy Symposia. These TCPI Symposia are designed to provide the IRS, Treasury, Congress, the Courts, taxpayers and tax professionals with well-researched educational forums in which differing views can be presented and discussed fairly and openly.

Sincerely,



Roger J. LeMaster  
TCPI Executive Director



Joseph O. Luby, Jr., Chairman  
TCPI Board of Directors

# Tax Council Policy Institute

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**Richard J. Zablocki**  
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# Symposium Faculty

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Assistant General Tax Counsel  
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**The Honorable Robert T. Matsui**  
(invited)  
U.S. House of Representatives  
Washington, DC

**Mark McConaghy**  
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Washington, DC

# Program Schedule

Thursday, February 15, 2001

12:30 p.m. - 1:00 p.m.

Registration

1:00 p.m. - 1:15 p.m.

Welcoming Remarks and Recognition of Tax Council Policy Institute Symposium Mission; Overview of Symposium

Mr. Luby, Mr. Shanahan

1:15 p.m. - 3:00 p.m.

Economic Perspectives on the R&D Tax Credit

This session will provide a discussion of the rationale for direct spending programs and tax incentives, as well as the impact of reduced government R&D spending. A comparison of government support of R&D spending in other countries will be explored.

Mr. Merrill, Moderator; Mr. Beran, Mr. Fast, Professor Hall, Mr. Moore

3:15 p.m. - 5:00 p.m.

Policy Goals Underlying the R&D Tax Credit

This presentation will examine why Congress enacted the R&D Tax Credit in 1981; why Congress modified the definition of qualified research in 1986; why Congress changed the R&D Tax Credit calculation in 1989 and 1996; and why Congress clarified the Credit in 1998 and 1999.

Mr. McConaghy, Moderator; Mr. Capps, Mr. Harrington, Mr. Kay, Representative Matsui (invited), Professor Nellen, Mr. Oosterhuis, Mr. Shanahan

5:00 p.m. - 6:00 p.m.

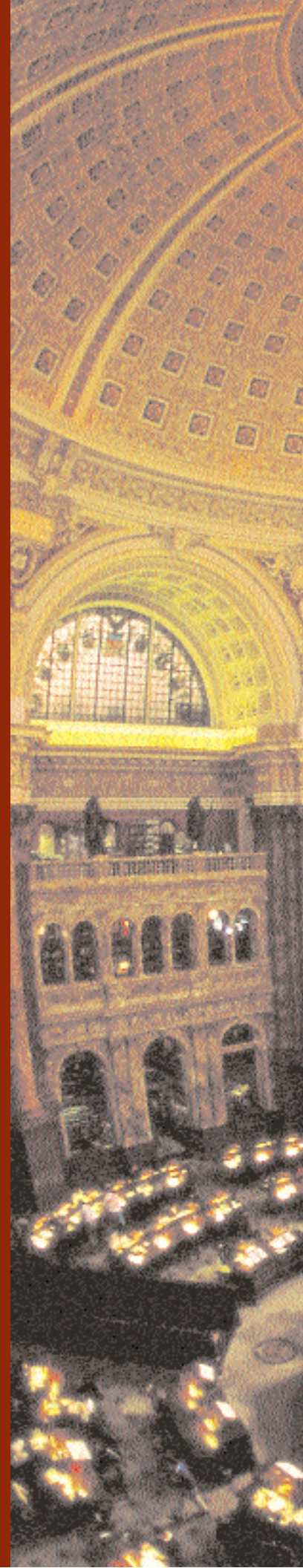
Judicial Oversight of the R&D Tax Credit

A critical analysis of judicial oversight of the R&D Tax Credit including: how disputes are chosen for litigation; a discussion of whether or not litigation is the best forum to resolve fact-intensive controversies such as the R&D Tax Credit; and the role of proposed rulemaking in R&D litigation.

Mr. Zakupowsky, Moderator; Mr. Lewis, Ms. Sweeney, Mr. Solomon

6:30 p.m.

Reception and Dinner with Keynote Address







Friday, February 16, 2001

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8:00 a.m. - 10:30 a.m.

### **An Examination of the Substantive Operation of the R&D Tax Credit**

A discussion of whether the IRS's proposed regulations are consistent with Congressional intent and what improvements could be made in the regulations. Other issues which will be explored include: the types of activities and costs for which the IRS has disallowed credits; definitional gaps that have emerged through the application and administration of the Credit; and practical distortions in the policy goals underlying the Credit being produced as a result of polar positions taken by taxpayers and the IRS.

Mr. Shanahan, Moderator; Mr. Bernard, Ms. Ellison, Mr. Goldbas, Mr. Goldberg, Mr. Hudson, Mr. Ohmes

10:45 a.m. - 12:00 p.m.

### **Improvements to IRS Examination Policy and Techniques**

This presentation will include a discussion of Pre-Filing Agreements, industry issue resolution, examination selection, and record-keeping requirements.

Mr. Gibbs, Moderator; Mr. Jones, Mr. Langdon, Ms. Lange, Mr. Monaco, Mr. Reese

12:00 p.m. - 1:00 p.m.

### **Luncheon**

1:00 p.m. - 2:00 p.m.

### **R&D at the Dawn of the New Millennium: Improvements to the R&D Tax Credit**

An examination of ways in which improvements to the R&D Tax Credit will foster R&D in the new economy and a review of the policy implications of a temporary Credit.

Mr. Zakupowsky, Moderator; Ms. Paull, Mr. Reilly, Mr. Sample, Mr. Weinberger

2:00 p.m. - 3:00 p.m.

### **Broadening Horizons: Should the Scope of the R&D Tax Credit Be Expanded?**

A discussion of the extent to which policy goals of the Credit are hindered or advanced by the incremental expenditure requirement, an evaluation of expansion options to the current R&D Tax Credit, and an in-depth analysis of whether the current R&D Tax Credit is globally competitive.

Mr. Zakupowsky, Moderator; Mr. Capps, Mr. Kies, Mr. Kostenbauder, Ms. Paull, Mr. Wheeler

3:00 p.m. - 3:15 p.m.

### **Closing Remarks**

Mr. Luby, Mr. Shanahan

# General Information

## Who Should Attend?

- The Symposium is designed for corporate tax directors, government tax professionals, tax counsels, attorneys, managers, accountants, corporate controllers, treasurers, and CFOs with an advanced level of tax knowledge. The Symposium will thoroughly examine all aspects of the R&D Tax Credit - past, present and future. In doing so, it will provide a basis for helping determine how the R&D Tax Credit can operate and be administered in an efficient, fair and effective way in today's new economy. No prerequisites or advanced preparation are necessary for attendance at this Symposium.

## CLE and CPE Credit Are Available

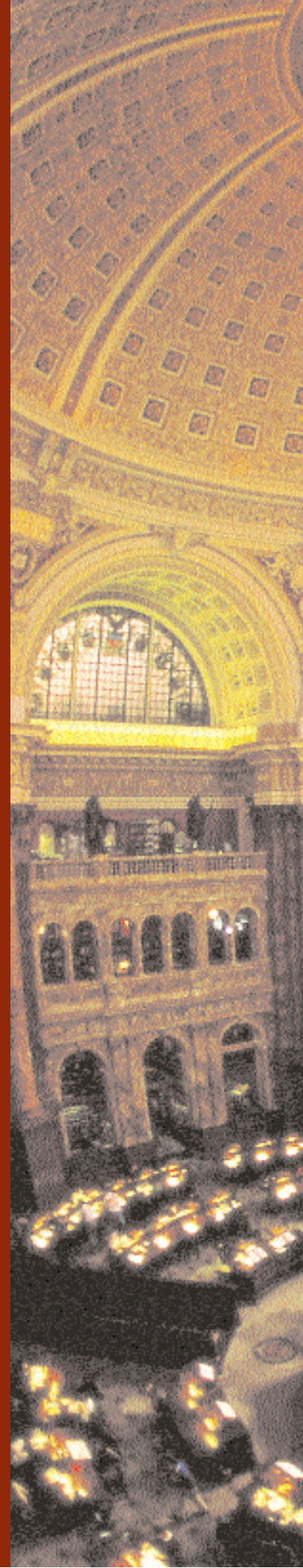
- CPE Credit:

The Tax Council Policy Institute is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit.

Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Nashville, TN 37219-2417. Telephone: (615) 880-4200.

- CLE Credit:

Accreditation will be requested from those states that require continuing legal education which registrants list on their application form. Each state has its own rules and regulations, including the definition of CLE.





## Program Location and Accommodations

- The Symposium will be held at The Ritz-Carlton Hotel, 1150 22<sup>nd</sup> Street, NW, Washington, DC. Room reservations should be made directly with The Ritz-Carlton Hotel by calling (800) 241-3333 or (202) 835-0500. Room rates are \$260.00 per night under the group name "Tax Council Policy Institute, R&D Symposium." To obtain rooms at the group rate, please make your reservation prior to January 19, 2001. After that date, room availability and/or pricing cannot be guaranteed.

## Registration

- The attendance fee for the Symposium, including dinner and luncheon, are as follows:
  - If the registration form and payment are received *by December 27, 2000*, the fee is \$495.00.
  - If the registration form and payment are received *after December 27, 2000*, the fee is \$595.00.
- The attendance fee for government employees is \$245.00.
- The fee for Symposium written materials for non-attendees (mailed after February 16, 2001) is \$245.00.

## Cancellation and Refund

- Fees are refundable, less a \$75 processing fee, if written notice is received at TCPI by January 15, 2001.
- There will be no refunds after January 15, 2001. However, a substitute for the original registrant will be accepted.

## For Updates on the Symposium

- For updates on the Symposium, please visit our web site: [www.taxnews.com/tcpi](http://www.taxnews.com/tcpi).