State Tax Notes is pleased to announce its annual year in review edition, featuring person of the year, given to the individual or organization that had the most influence on state tax policy and practice. The editorial staff has compiled a list of the best in our profession in five categories: academics, practitioners, organizations, administrators, and lawmakers.

Richard Pomp

This year's person and academic of the year is Richard Pomp for his pro bono work as the hearing officer for the Multistate Tax Commission's proposed amendments to Article IV of the Multistate Tax Compact.

The compact's apportionment formula, Article IV, incorporates nearly verbatim the Uniform Division of Income for Tax Purposes Act as drafted in 1957.

Pomp, the Alva P. Loiselle Professor of Law at the University of Connecticut School of Law, is no stranger to efforts to revise UDITPA, having served as a co-reporter for the Uniform Law Commission (ULC) when it revisited its original product. When the ULC halted its work in 2009, the MTC initiated its own effort to revise UDITPA as a market-based sourcing model statute.
After conducting a hearing on the MTC proposals in March, Pomp spoke with people from every part of the state tax world about the provisions. It took him most of a year to produce his hearing officer's report on the proposals.

In his report, Pomp summarizes the MTC's proposals and the thinking behind them. He describes the public testimony, comment, and recommendations and presents his own analysis and recommendations for each section of UDITPA. He even includes his own proposed alternative draft language in several areas.

When Pomp formally presented his report to the MTC's Executive Committee in December, MTC Executive Director Joe Huddleston expressed his appreciation for Pomp's effort and congratulated him on his final product. "We felt the significance of what we were doing was so tremendous and had such a broad impact across the country that it was really important, from a measure of impartiality, to step outside the house and ask a third party to serve as hearing officer," Huddleston said. "Pomp has done an outstanding job."

Pomp's expertise is recognized by tax authorities and private sector tax specialists alike. He frequently serves as a litigation consultant to governments and to law firms, corporations, and accounting firms. Pomp is as likely to serve as an expert witness in court for the side of the business taxpayer as he is for the state. "Like a good umpire, he calls 'em as he sees 'em," said Patrick Van Tiflin of Honigman Miller Schwartz and Cohn LLP. "Brilliant in intellect, clear in communication, concise yet thorough in analysis, he is clearly the SALT authority for our time."

Pomp has been involved in several of the year's significant cases, including Anheuser-Busch v. Dep't of Treasury, compact Article III litigation pending in the Michigan Court of Appeals; Equifax Inc. v. Dep't of Revenue, the alternative apportionment case decided by the Mississippi Supreme Court; and Tesoro Corp. v. Alaska, the unitary case decided by the Alaska Supreme Court.

In Anheuser-Busch, Pomp provided expert testimony in support of the taxpayer's interpretation of the compact as a binding agreement. He also provided the Michigan Court of Claims with his analysis of the intersection of the compact election with components of the Michigan business tax, arguing that both the business income tax base and the gross receipts tax base fall within the reach of the compact election.

The Michigan court's decision in favor of the taxpayer is notable because it is the first to follow the California Court of Appeal's finding in Gillette v. Franchise Tax Board and because it conflicts with the Michigan Court of Appeals decision in IBM Corp. v. Dep't of Treasury, now pending in the Michigan Supreme Court.

Pomp told Tax Analysts in March that his involvement in Article III litigation would have no bearing on how he conducts the MTC hearing on its proposed amendments to Article IV. "If anything, it speaks to the integrity of the MTC that it is willing to have as a hearing officer someone who is on the other side of the Gillette issue," he said.
"Pomp plays an interesting role in the journey of Gillette and all the cases that will follow," said Michael Herbert of PricewaterhouseCoopers LLP's state and local tax practice. Herbert, the State Tax Notes Person of the Year in 2012, formulated the approach taken by taxpayers in Gillette.

Herbert began working on what would become the Gillette case in 2003. He said that in 2004 he needed to talk to someone who understood the Multistate Tax Compact, and he contacted Pomp, who was familiar with the compact election and supported its mandatory nature. They discussed how the compact balanced competing concerns: California could exercise its sovereignty by offering a double-weighted sales factor as an intended incentive to attract businesses while the compact election assured that out-of-state taxpayers -- who could still opt to use UDITPA -- wouldn't be disadvantaged by it.

Herbert said he and Pomp discussed the MTC's third annual report, in which the MTC touted the election as providing "substantial advantages" to taxpayers who could choose the most favorable apportionment method.

"He provided insight, which translated into great resolve to move the cases forward," Herbert said. "Thank you, Richard, for all your support throughout the journey of Gillette so far, and congratulations."

Pomp said he sees no grand conspiracy behind the Gillette litigation, saying, "These are simply taxpayers for whom the election reduces their taxes." He said he doesn't believe it will be the end of the MTC if the taxpayers win and that there will always be a role for the MTC in modernizing UDITPA through statutory proposals or model regulations, in its nexus and joint audit programs, and in its model industry-specific regulations.

"There may be a need for the states to get together and amend the compact to eliminate the election," Pomp said. "If the MTC proposal to amend UDITPA to allow each state to choose its own apportionment formula gets widely adopted, litigation may be reduced."

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Curtis Bramble

Utah Sen. Curtis Bramble (R), a CPA, is among the most influential state lawmakers when it comes to tax policy, with Utah State Tax Commission Chair Bruce Johnson saying that Bramble and his tax expertise were instrumental in Utah's passage of market-based sourcing rules.

Bramble is president-elect of the National Conference of State Legislatures and will become president in 2015. He is an influential member of the NCSL Executive Committee Task Force on State and Local Taxation, which has opposed all efforts to revise UDITPA since the project was with the Uniform Law Commission.
Bramble was one of the designated spokesmen who in 2009 told the ULC it could face an effort to defund its operations should it proceed with a project to revise UDITPA, and he told Tax Analysts last year that lawmakers were nearing that point with the MTC.

Bramble has questioned the appropriateness of some uniformity projects undertaken by the MTC. In August the NCSL task force sent a letter regarding Gillette's reach to lawmakers in states that are members of the Multistate Tax Compact.

Utah (SB 247), South Dakota (SB 239), and Minnesota (HF 677) this year passed bills to change the status of their membership in the compact -- task force members drafted all three pieces of legislation.

Since being elected to the Senate in 2000, Bramble has served as majority leader and chair of the Revenue and Tax Committee. He received undergraduate and graduate degrees in accounting from Brigham Young University.

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Harry Cooper Jr.

*State Tax Notes* recognizes Harry Cooper Jr. for his poise in the wake of a cyberattack on the South Carolina Department of Revenue, where he served as executive director until October 1.

That day in October 2012 started out well, with a glowing report from the South Carolina inspector general. The topic was information technology security, with the inspector general's office saying the DOR's servers were among the best it had seen.

But later Cooper received another report -- this one from the U.S. Secret Service. "They said, 'We need to speak with you about information being peddled on the black market. We believe it is from your system,'" Cooper said. "Of course my first reaction was 'No. That cannot be.'"

Unfortunately, it was. The South Carolina DOR had fallen victim to a cyberattack that compromised more than 4 million personal and business tax records. Cooper's response, which occupied the next eight months and completely transformed the DOR, is the
principal reason for his selection as administrator of the year.

Verenda Smith, deputy director of the Federation of Tax Administrators, called Cooper's work following the attack "the single most impressive performance I've witnessed in nearly 30 years of this business."

Cooper "put his career on the line to adroitly and correctly manage the agency through the information breach crisis," Smith told Tax Analysts. "I can't remember a time when so much has been asked of a tax administrator, under such intense scrutiny -- public, private, and FBI," she said.

Once the DOR confirmed that its data was on the black market, Cooper's first move was to acknowledge that the department couldn't handle the security breach alone. Within two days, it had contracted with Mandiant, a cybersecurity firm based in Alexandria, Va.

Then came the lock-in. Cooper, along with DOR and Mandiant employees, spent the weekend in the office. They closed the access point used by the hacker to intercept information that included unencrypted Social Security numbers.

The first fire had been put out, but that was only the beginning. For Cooper, perhaps the worst part of the crisis was next: The DOR had to tell taxpayers what had happened. "I felt so sorry," Cooper said. "I felt we let them down; I let them down." He set out to rectify the situation by every means possible, and again realized the DOR needed specialized help. South Carolina has millions of individual filers from all over the country, and "each state requires different notification, has different rules," Cooper said. He contracted with Nelson Mullins Riley & Scarborough LLP, an Atlanta-based law firm versed in those rules.

Cooper said the DOR wrote every individual taxpayer a letter. It wiped out its operating budget and had to borrow an additional $20 million to deal with the crisis, spending $1.3 million in postage alone.

The DOR set up a call center and a consumer advice office, spread the word through CPAs and attorneys, and used the media, both online and by conducting interviews and press conferences. Cooper was the point person for dealing with reporters, the governor's office, the Legislature, and the FBI, which was conducting its own investigation of the security breach. He spent hours testifying.

Cooper said he educated DOR employees on security and cleaned out his e-mail inbox. He called himself "the poster child" for hacking, saying he received thousands of phishing e-mails and was hit by "the latest and greatest" scams.

By July, the worst was over, but Cooper still stood before dozens of colleagues at the annual meeting of the Southeastern Association of Tax Administrators and told his story again, in the hope that something similar would not befall them.

"Instead of finger-pointing, hiding, pulling out the Band-Aids, or any of the other ways a
lesser manager would have punted the responsibility, Harry dug in and figured out how the crisis originated, not only on the IT end of things, but also with management and organizational practices," Smith told Tax Analysts. "He instituted long-term changes intended to ensure that any systemic weakness will no longer be overlooked, and he did all that while managing the immediate and short-term demands of the crisis."

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George Isaacson

In 2011 Tax Analysts named George Isaacson of Brann & Isaacson one of the top 10 individuals who influenced state tax policy and practice. Isaacson made the list again this year with his work litigating two high-profile and influential state tax cases.

State Tax Notes recognizes Isaacson's extensive work with e-commerce and remote sales issues. He represents the Direct Marketing Association (DMA), which recently filed its case in Colorado state court after being denied *en banc* rehearing with the U.S. Court of Appeals for the Tenth Circuit.

The DMA is in a dispute with Colorado over a law that requires remote retailers to either collect sales tax or notify Colorado purchasers of their use tax responsibilities. The DMA sued the Colorado DOR in federal district court in 2010, arguing that the law is an invasion of consumer privacy and discriminates against interstate commerce.

Isaacson also works with the Performance Marketing Association, a nonprofit trade association that challenged an Illinois law that requires remote retailers to collect sales tax if the retailer receives a commission. On October 18 the Illinois Supreme Court threw out the state's "Amazon" law, saying it violates federal rules against discriminatory taxes on digital transactions and doesn't hold up under the Internet Tax Freedom Act.

The Performance Marketing Association lawsuit was a big win for the veteran attorney, who has said that if states begin to enforce so-called Amazon laws by issuing tax assessments to, or imposing penalties on, remote sellers, catalog companies and Internet merchants will likely file appeals.

Isaacson said he continues to be fascinated by state tax law because it involves more constitutional tax issues than any other area of tax law. "There is a great variety of law," he said. "You are dealing with 50 different states."
Isaacson has served as a professor of constitutional law at Bowdoin College since 1971. He particularly enjoys teaching the commerce clause, which was included in the U.S. Constitution to create a free trade union among the states. "The work I do in seeking to limit the manner by which states burden commerce is in fact furthering the vision of an open market that goes back to the constitutional convention and the purpose of the commerce clause," he said. "If that's a romantic vision, it's one I subscribe to."

Isaacson received his JD from the University of Pennsylvania and his BA from Bowdoin College.

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Eric Schneiderman

Few elected officials have jump-started the national public policy debate about state tax law enforcement like New York Attorney General Eric Schneiderman (D).

As a state senator, Schneiderman led the effort to extend New York's False Claims Act to taxes. The State Legislature unanimously approved the change, making New York the first state in the nation to approve that kind of expansion. Almost immediately after becoming attorney general, Schneiderman established the Taxpayer Protection Bureau within his office to work with the New York State Department of Taxation and Finance on large-scale tax fraud cases and to investigate allegations brought by qui tam whistleblowers.

New York's expanded False Claims Act allows the attorney general or a private whistleblower to file qui tam actions against businesses or individuals alleged to have defrauded the state of more than $350,000 in revenue using false tax statements and records. Any party found guilty must pay triple the amount of back taxes owed, plus penalties and interest. Whistleblowers are eligible to receive up to 25 percent of any revenue collected by New York as a result of information they provided.

"The New York tax whistleblower program is without question one of the biggest developments in tax -- at the federal or state level -- in years," said Dean Zerbe, a senior policy analyst with the National Whistleblowers Center.

"Thanks to Attorney General Schneiderman and his team, New York is lighting the path for other states, as well as the federal government, on the next steps to take to address tax fraud," said Zerbe, who represents Bradley Birkenfeld, the former UBS banker whose
information about banks and individuals hiding money in Switzerland helped the IRS collect more than $5 billion in unpaid taxes.

Not everyone is sold on the approach, with corporate tax advisers expressing concern that New York's expanded False Claims Act gives elected officials too much power to label as fraud what may be legitimate tax planning or a disagreement over unsettled areas of law.

At the request of the Council On State Taxation, the MTC is studying issues regarding qui tam litigation alleging tax fraud and whether it makes sense to initiate a project.

State lawmakers nationwide are expressing interest in following New York's example, with one legislature taking formal steps in that direction. North Dakota lawmakers this year passed a concurrent resolution directing an interim committee to report at the start of the next session on whether extending the state's false claims act to taxes is feasible and desirable.

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Janet Shimabukuro

Washington DOR Assistant Director Janet Shimabukuro this year both snagged a place in the State Tax Notes person of the year feature and received the FTA's Harley T. Duncan Award for Leadership and Service.

Shimabukuro joined the DOR in 1996 as a public information officer, but quickly advanced to become leader of the Taxpayer Services Division and one of the youngest assistant directors in the agency's history. She has been essential in implementing a destination-based sales tax, establishing economic nexus, creating state-issued reseller permits, and mandating e-filing for monthly and quarterly taxpayers. Shimabukuro has also been a leader in the Plain Talk initiative and the driving force behind the agency's first mobile app.

The FTA has praised Shimabukuro for her leadership and advocacy for clear communication and the improvement of business services, noting her "willingness to share her lessons learned and knowledge with other states, both through participation in FTA workshops and by volunteering to travel to other tax agencies to provide training."

Shimabukuro earned her undergraduate degree in communications from Pacific Lutheran University and her associate's degree from Centralia College.
Shirley K. Sicilian

_State Tax Notes_ recognizes Shirley K. Sicilian as one of the most influential legal thinkers in the field. As MTC general counsel, she has been instrumental in drafting the MTC's proposed amendments to Article IV of the Multistate Tax Compact.

Sicilian has been involved in revising UDITPA as a market-based model statute since the project was at the ULC. Pomp has noted the creativity behind the draft framework for revising UDITPA.

In submissions nominating Sicilian for the Paull Mines Award for Outstanding Contribution to State Tax Jurisprudence, revenue officials described her counsel to the states involved in litigation over the Article III election as "expert navigation." The MTC this year awarded the medal to Sicilian.

"Shirley consistently provides an unmatched level of expertise," Huddleston told Tax Analysts. "She has led the commission's efforts to rewrite UDITPA, which has proven to be a massive and controversial undertaking. No single individual has interacted with state tax authorities on legal issues more than Shirley, and her opinions are universally respected."

Sicilian, who joined the MTC in 2003 as deputy counsel, said the experience of working there has been even better than she expected. "I get to talk big-picture tax policy and constitutional issues with the best brains in the business on both sides of the table, and with folks who genuinely care about good policy and efficient administration," she said.

"To be able to work with these people on both practical and policy issues is just a joy," Sicilian said. "Under Joe's leadership, the MTC has been a strong voice for state sovereignty, and I've thoroughly enjoyed being a part of that."

Sicilian, who next month will join KPMG LLP as the national director of state and local tax controversy with the firm's Washington National Tax practice, earned her JD and post- and undergraduate degrees in economics at the University of Kansas.
Mark Sommer of Frost Brown Todd LLC is recognized for his contribution to transparency in state and local tax administration and litigation.

Sommer, whose professional accolades and affiliations are too numerous to mention in their entirety, serves as vice chair of the State and Local Tax Committee of the American Bar Association Section of Taxation. He is a member of the committee's State and Local Tax Transparency Task Force, and a past chair of the Kentucky Bar Association Tax Section. Sommer has been a Kentucky correspondent for *State Tax Notes* since 1992.

But it's his fight for improved transparency that has distinguished Sommer of late. In 2012 he filed suit against the Kentucky DOR after it denied his open records request for redacted versions of its final letter rulings. Tax Analysts has intervened in the case, which the circuit court heard last week.

"Mark understands perfectly the balance between transparency and taxpayer confidentiality," said Christopher Bergin, president and publisher of Tax Analysts. "I respect Mark a great deal; he is working courageously to improve tax administration in Kentucky and around the country."

Jaye Calhoun of McGlinchey Stafford, who is also a member of the ABA's State and Local Tax Transparency Task Force, agreed. "A lot of us care about these issues, but Mark has put his money where his mouth is," Calhoun said.

Although the task force is still in its initial phases, Sommer believes it has a lot of promise for improving transparency in state and local tax administration. Sommer said one of the task force's initial challenges was simply to create baseline data on transparency. Ultimately, the goal was to create a dialogue to "get some energy behind the topic," he said.

Jennifer Barber of Frost Brown said Sommer's passion for state tax and the time he dedicates to making a difference in the state tax arena, rather than focusing only on his law practice, make him an ideal *State Tax Notes* honoree.

Sommer credits the guidance he received as a young lawyer for shaping his commitment to improving the state tax community for all practitioners and taxpayers, saying, "I am the product of my environment and had a lot of great mentors coming up."

The role of mentor is one Sommer has tried to replicate with today's young lawyers. "I believe what makes him stand out above the rest is . . . the effort he puts into mentoring.
the next generation of state tax lawyers," Barber said.

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Bill Thompson

Bill Thompson, chief administrative law judge for the Alabama DOR, made the list for his role in supporting the effort to establish a new independent state tax tribunal and his long career as the DOR's first and only ALJ.

Thompson is a principal author of the Alabama Taxpayers' Bill of Rights II (HB 264), which provides for the establishment of the Alabama Tax Appeals Commission, an independent tax tribunal that would provide taxpayers with a new administrative appeals process. Alabama is one of very few states with no independent tax appeals tribunal.

Bruce Ely of Bradley Arant Boult Cummings LLP said Thompson has agreed to stay on as an ALJ if the state transitions to the Alabama Tax Appeals Commission, which would be independent from the DOR.

Ely said he hopes Thompson's crowning accomplishment will be to serve as the first chief judge of the proposed appeals commission.

Ely said Thompson is one of the most prolific and longest-serving ALJs in the country. "We don't always agree with his rulings, but we always respect them, because we know he's put the research and thought into each of them," Ely said. "He is very proud of his reversal rate, which is incredibly low."

Thompson was appointed the DOR's first chief ALJ in September 1983 when the Administrative Law Division was established, and he has served as the only ALJ since then. He was the principal author of the Alabama Taxpayer Bill of Rights and Uniform Revenue Procedures Act, which the Alabama Legislature enacted unanimously in 1992.

After earning his JD from the University of Alabama in 1976, Thompson joined the Alabama DOR as assistant counsel handling corporate and personal income tax cases, where he remained until his appointment to the bench.

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Tax Foundation
It's a three-peat for the Tax Foundation, which has been included in this feature every year since 2011. It's hard to argue against its inclusion, given the wide use of its state and local tax data. The foundation, in upholding its mission of "educating taxpayers about sensible tax policy," continues to be a constant and reliable source of data, studies, and other information.

The Tax Foundation's information tools include interactive data on tax rates and tax burdens, as well as a Facts & Figures handbook, which compares all 50 states on 40 different measures of taxing and spending. The foundation also releases maps almost weekly that showcase data on a particular tax type or issue.

And, of course, the Tax Foundation annually releases a state business tax climate index, which compares state tax structures. The index receives much media attention and is used by state officials throughout the year in legislative efforts to reform state tax systems.

The foundation's activity during the North Carolina tax reform debate is representative of its efforts at the state level. The foundation was instrumental in the state's tax reform efforts in 2013. Though it wasn't as expansive as the foundation argued for, the legislature passed a substantial reform bill that contained large reductions in the corporate and individual income tax rates and some sales tax increases.

"The Tax Foundation stands out among the organizations that do state tax policy work. No group has been more influential, particularly in reaching lawmakers and the media," said Tax Analysts Deputy Publisher David Brunori. "I attribute its success to its top-notch group of policy experts who do honest work to advance policies consistent with the standards of sound taxation. Few organizations bring all those attributes to the table."

The foundation also testifies before state and federal lawmakers on state tax and fiscal policy, gives presentations, and makes media appearances. Joseph Henchman, the foundation's vice president of both legal and state projects and of operations, has been a driving force behind the organization's influence in the state and local tax world. And the depth of the foundation's tax expertise has expanded, with economists Scott Drenkard, Elizabeth Malm, and Lyman Stone promoting its principles of sound tax policy through publications and testimony.

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