

ATA Annual Business Meeting, August 2009, Remarks by Lillian Mills

Last Monday in the NYT, David Brooks discussed Tyler Cowen's provocative thought experiment: suppose half the globe facing the sun became sterile – what would happen to affected societies' incentives.¹ Mr. Brooks argues that such a society loses its future. Without posterity, there are no grand designs, no high ambitions. Striving and building would cease.

About ten years ago, the ATA senior leadership became concerned about our future. We saw a lack of students becoming tax professors: specifically those who had deep institutional knowledge and interests in tax technical topics. This was a critical concern, because we ARE the professors who educate the tax professionals in this country – the future of careful and ethical tax compliance and planning is in our hands. We needed to jointly support young researchers who could publish academic research and maintain their interest in the technical aspects of taxation. Two recent initiatives addressed this problem.

This fall, doctoral programs welcome tax and audit students sponsored through the Accounting Doctoral Scholars program. Spearheaded by the largest accounting firms, the AICPA Foundation provides scholarships to encourage doctoral programs to admit tax and audit students, and the large CPA firms actively help identify good candidates. I'm excited that Texas admitted two students who are, respectively, a transfer-pricing manager and a former corporate tax director.

Inside the ATA, we created a tax doctoral consortium in 2005 to train and mentor tax researchers. The ATA continues to benefit from KPMG's sole sponsorship of that consortium. I think we are already seeing important fruits. Last year 44 students attended, and at this year's AAA meeting I see many of the initial attendees presenting as authors and discussants on our program. This is an active group of young tax accounting researchers. Complementing the consortium, Ernst & Young has for many years contributed funds to the ATA specifically to pay for doctoral student travel to the ATA meeting. The consortium plus the travel reimbursements have brought our younger generation to the research table. I have delighted in watching national friendships develop sooner and stronger. These national friendships are a great strength of the ATA. You students and young professors will soon find that these colleagues will support

¹ http://www.nytimes.com/2009/07/28/opinion/28brooks.html?_r=2

you through all the personal challenges and losses that come with living life each decade. I am personally grateful to friends here today who have done so for me.

I want to thank KPMG, who for many years was our sole mid-year meeting sponsor. They were very gracious as we moved to a broader base of support and continue to be our sole sponsor of the doctoral consortium. So we are glad to have Deloitte, PWC and Grant Thornton join E&Y and KPMG as general supporters of the ATA, and welcome more firms' participation and presence at our meetings. Having practice professionals at our meetings helps us maintain our technical edge and conduct relevant research.

So the ATA I address today is an incredibly strong institution. Our senior statesmen are great educators and influential researchers, and our younger generation is well-trained and energetic. With that, it's time to do a better job facing outward. The global financial crisis is revealing budget shortfalls at all levels; government deficits are already a problem. Further, the Obama administration has an ambitious agenda in health care and sustainability, and Congress has already committed over the last sessions to stimulus payments. Thus, tax policy is necessarily on the legislative agenda in the U.S., and the stakes are high. Tax revenues are an equal problem and concern at the state level and at countries throughout the world. These governments need input from accountants, not just from economists and lawyers.

I think we accounting researchers have been reticent to offer our opinions because we had to establish our scholastic credentials. If you look back to the 1950's and 1960's, accounting journals published our armchair reasoning, unsupported by rigorous evidence. To elevate our scholarship, positive accounting theory moved us away from normative opinion. I'd like to suggest that we can move back to the middle. I think we dare to offer policy opinions in the closing paragraphs of research papers, although this will require encouragement by referees and editors. There are non-academic outlets for *reasoned* opinion supported by published research, including the business press, letters to the editor, blogs, comment letters to Congress or FASB or SEC. I particularly encourage our members who have decades of experience working with the tax law and reading our academic research to provide this perspective.

The ATA has a formal structure available to participate in tax policy debates. I've asked Roby Sawyers to continue one more year chairing the Tax

Policy Committees. It rests on our entire organization to identify topics for which the ATA should weigh in and to provide additional expertise to the appropriate subcommittee. For example, Michael Caligari just contacted me about whether the ATA had a comment concerning the presentation of financial statements, and he is now working with the tax accounting sub-committee as an ad hoc member on this topic. I encourage all of you to similarly reach out to the policy committees. Further, this year the Long-Range Planning Committee designated Ed Outslay as the ATA contact for the tax policy committee Austan Goolsbee is chairing for the Obama administration. As yet, no formal meetings have occurred, although Austan has acknowledged Ed's willingness to participate.

This year I asked many well-connected professors to serve on the External Relations committee. These colleagues share the Long-range Planning Committee's vision of forging more relationships across disciplines, with practitioners and government policymakers and the business press. At lunch, we expect to welcome Robert Cruz, Assistant Director, General Corporation Tax Audits, NYC Department of Finance, and Jesse Drucker of the Wall Street Journal. Please make them welcome, and if you meet other government or business press representatives here at AAA, please let me know.

In summary, I believe that we have restored our future by strengthening our youth. With our longevity restored, let us think about posterity. What kind of differences can we make in a 30 year career? Reaching outward can help our research affect the design and administration of better tax policies. To return to David Brooks' analogy, because we once again have a future, we should strive for greater impact, both as individual researchers and collectively as the American Taxation Association. I will do all I can through the coming year to support any such efforts.

I offer several thanks in closing. I echo Shelley's accolades for Charlene Henderson for the program planning. I have rarely seen such a strong combination of papers and discussants. I am grateful to these colleagues for reviewing and discussing these papers. Our research will collectively improve as a result of this year's AAA. Sue Porter is planning the mid-year and David Hulse is planning the annual meeting, so I know this excellence will continue. I appreciate how easily everyone in the room said yes when I asked for help. Finally, I offer Shelley Rhoades-Catanach three things to commemorate her service to the ATA. The first two items we will mail home for her. First is the typical plaque to

document her service. Second, to give her a memory of this successful year, I selected this print of Central Park. But most importantly, let her carry home our collective gratitude for her excellent leadership during 2008 and 2009. Please join me in saying, Thank you Shelley!

With that, do I have a motion to adjourn?

Lillian Mills