

The Intersection of Tax and Finance Research in the Shifting Tax Landscape



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The Journal of FINANCE

The Journal of THE AMERICAN FINANCE ASSOCIATION

The Review of Financial Studies

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Empirical evidence: 2008-2017

	Journal of Finance	Journal of Financial Economics	Review of Financial Studies
N	14	26	14
N Acct ¹	2	12	2

Hanlon 1 JF, 4 JFE, 1 RFS = 6

Maydew 2 JF, 2 JFE = 4

Shevlin 2 JFE, 1 RFS = 3

More detail:

	Journal of Finance		Journal of Financial Economics		Review of Financial Studies	
N	14		26		14	
N Acct ¹	2		12		2	
<u>Topics²</u>	<u>Acctg</u>	<u>Fin</u>	<u>Acctg</u>	<u>Fin</u>	<u>Acctg</u>	<u>Fin</u>
Capital structure	0	2	3	4	0	3
Multinational	0	2	1	3	0	1
Dividend policy			2	1	1	
Tax avoidance	1	2	5	1		
Repatn taxes			1			1
Cash holdings		1		1		2
M&A		1	1			1
Clienteles		1				
Assets prices	1	3	2	2		2
Corp finance			1	2	1	
ESOs		1				
Other				4		
<i>Total</i>	2	13	16	18	2	13

Journal of Finance

Capital Gains Taxes and Asset Prices: Capitalization or Lock-in?

International Taxation and the Direction and Volume of Cross-Border M&As

Analyzing the Tax Benefits from Employee Stock Options

Why Do U.S. Firms Hold So Much More Cash than They Used To?

Taxes on Tax-Exempt Bonds

The Cost of Debt

Municipal Debt and Marginal Tax Rates: Is There a Tax Premium in Asset Prices?

Mutual Fund Tax Clienteles

Taxes, Theft, and Firm Performance

Why Do Firms Evade Taxes? The Role of Information Sharing and Financial Sector Outreach

Taxes and Corporate Policies: Evidence from a Quasi Natural Experiment

Taking the Long Way Home: U.S. Tax Evasion and Offshore Investments in U.S. Equity and Debt Markets

The Effect of Succession Taxes on Family Firm Investment: Evidence from a Natural Experiment

Corporate Taxes and Securitization

JFE

The importance of IRS monitoring to debt pricing in private firms

Have the tax benefits of debt been overestimated?

Are family firms more tax aggressive than non-family firms?

The value of a flow-through entity in an integrated corporate tax system

Dividend distributions and closed-end fund discounts

Corporate tax avoidance and stock price crash risk: Firm-level analysis

Institutional tax clienteles and payout policy

Do personal taxes affect capital structure? Evidence from the 2003 tax cut

Labor unions and tax aggressiveness

Payout taxes and the allocation of investment

What do firms do when dividend tax rates change? An examination of alternative payout responses

Beauty is in the eye of the beholder: The effect of corporate tax avoidance on the cost of bank loans

The evolution of capital structure and operating performance after leveraged buyouts: Evidence from U.S. corporate tax returns

As certain as debt and taxes: Estimating the tax sensitivity of leverage from state tax changes

Importing corruption culture from overseas: Evidence from corporate tax evasion in the United States

The effect of repatriation tax costs on U.S. multinational investment

Taxes and leverage at multinational corporations

JFE cont.

Taxes and bank capital structure

Heuristic portfolio trading rules with capital gain taxes

Offshore schemes and tax evasion: The role of banks

Are corporate inversions good for shareholders?

U.S. multinationals and cash holdings

Changes in corporate effective tax rates over the past 25 years

Do corporate taxes hinder innovation?

Customer–supplier relationships and corporate tax avoidance

Capital gains lock-in and governance choices

RFS

Taxable and Tax-Deferred Investing: A Tax-Arbitrage Approach

How Do Mergers Create Value? A Comparison of Taxes, Market Power, and Efficiency Improvements as Explanations for Synergies

Dynamic Investment and Financing under Personal Taxation

How Do Pensions Affect Corporate Capital Structure Decisions?

Fiscal Policies and Asset Prices

Investment and Capital Constraints: Repatriations Under the American Jobs Creation Act

Guarantees, Leverage, and Taxes

Territorial Tax System Reform and Corporate Financial Policies

Optimal Tax Timing with Asymmetric Long-Term/Short-Term Capital Gains Tax

Do U.S. Firms Hold More Cash than Foreign Firms Do

Collateral, Taxes, and Leverage

Foreign Cash: Taxes, Internal Capital Markets, and Agency Problems

Tax Rates and Corporate Decision-making

Taxation and Dividend Policy: The Muting Effect of Agency Issues and Shareholder Conflicts

What makes a (tax) paper a finance vs. accounting paper?

- Institutional/technical detail
- Hypotheses
- Empirical analyses
- Point estimates

Why should I work on tax/finance type questions?

- Inherent interest in the question and/or setting
- Technical expertise related to the issue
 - What is my comparative advantage in working on this question relative to a researcher with a finance (or economics) background?
- How does my department value publications outside my “area”?

How do I get started?

- Corporate finance PhD seminars
- Finance workshops
- Finance faculty on dissertation committee
- Talk with your finance colleges (as a student or faculty)

How do I decide where to submit my paper?

- Write paper organically
- Look at first draft and see what you've referenced
- Bounce idea of finance faculty
- Are similar topics examined in a specific journal

Can I submit my “financy” paper to an accounting journal?

- Does
 - Accounting = Financial Reporting?
 - Accounting = Tax Reporting?
 - Accounting = ???

- *What do the journals say?*

AAA's view (emphasis added)

- According to the policies set by the Publications Committee (which were endorsed by the Executive Committee and were published in the Accounting Education News, June 1987), The Accounting Review “should be viewed as the premier journal for **publishing articles reporting the results of accounting research** and explaining and illustrating related research methodology. The scope of acceptable articles should embrace any research methodology and **any accounting-related subject**, as long as the articles meet the standards established for publication in the journal ... No special sections should be necessary. **The primary**, but not exclusive, **audience should be**—as it is now—academicians, graduate students, and others **interested in accounting research**.”

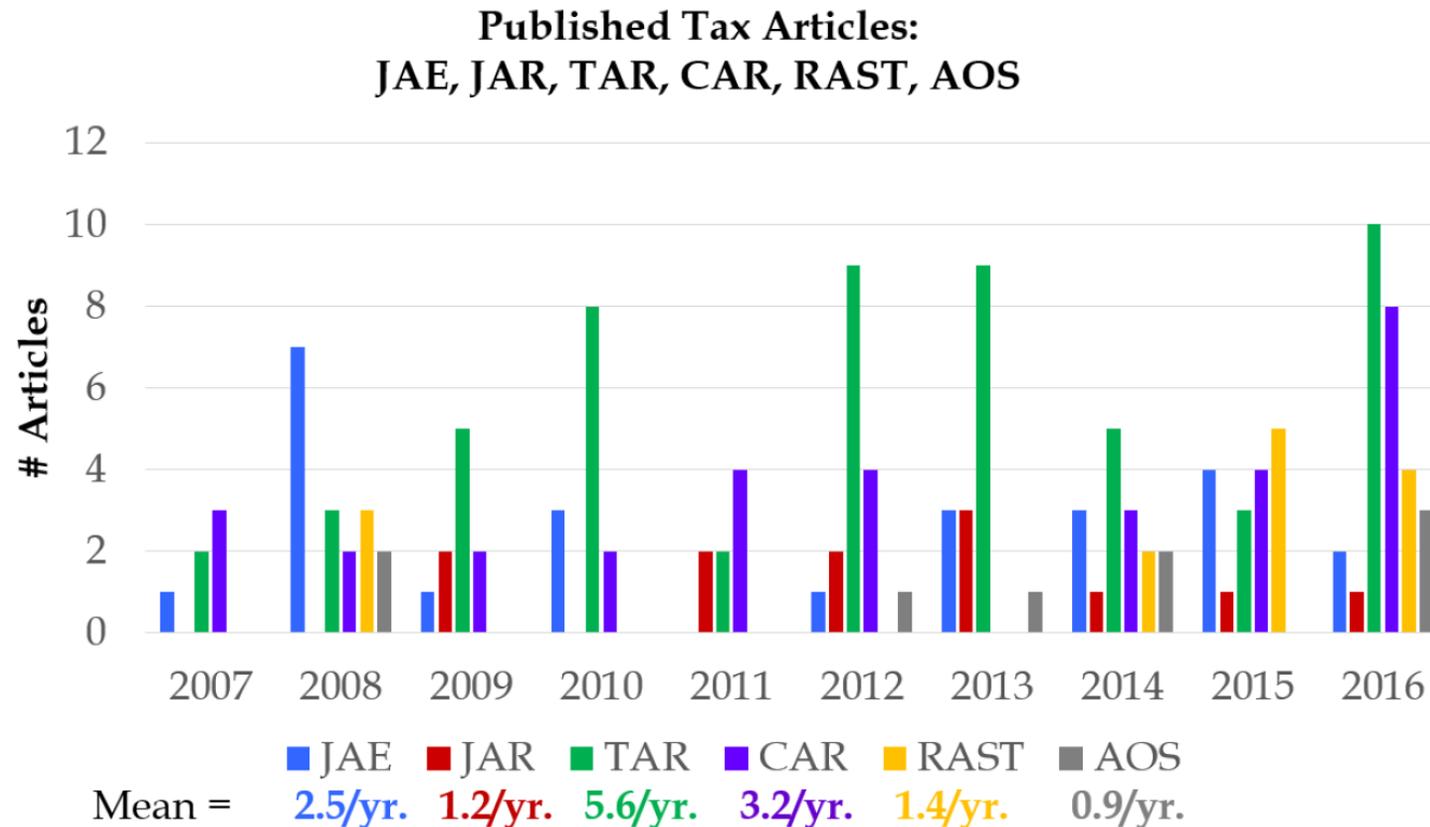
JAE

- The *Journal of Accounting and Economics* encourages the application of **economic theory** to the explanation of **accounting** phenomena. It provides a forum for the publication of the highest quality manuscripts which employ **economic analyses** of accounting problems. A wide range of methodologies and topics are encouraged and covered:
 - * The role of accounting within the firm;
 - * The information content and role of accounting numbers in capital markets;
 - * The role of accounting in financial contracts and in monitoring agency relationships;
 - * The determination of accounting standards;
 - * Government regulation of corporate disclosure and/or the Accounting profession;
 - * The theory of the accounting firm.

JAR Aims and Scope (emphasis added)

- The *Journal of Accounting Research* is a general-interest accounting journal. It publishes original research in all areas of accounting that utilizes tools from basic disciplines such as economics, statistics, psychology, and sociology. This research typically uses analytical, empirical archival, experimental, and field study methods and **addresses economic questions in accounting, auditing, *taxation, and related fields such as corporate finance*, investments, capital markets, law, and information economics.**
- The journal publishes four regular issues and one conference issue each year. The conference issue contains papers from the annual accounting research conference held at the University of Chicago. The *Journal of Accounting Research* has been published since 1963 by the Accounting Research Center at the University of Chicago Booth School of Business. Topics published include:
- The impact of financial reporting and disclosure on stock prices;
- The economics of auditing, enforcement and audit oversight;
- The use of accounting information in contracting in debt, labor, supply, and other markets;
- The role of accounting in compensation and in corporate governance;
- The role of managerial accounting on internal decision making such as budgeting, costing, and transfer pricing;
- The real effects of financial reporting and disclosure;
- The economics of regulation of financial reporting and disclosure, including bank regulation;
- International differences in financial reporting and the role of reporting standards in international capital markets;
- The political economy of accounting standard-setting;
- The use of accounting information in public finance;
- **The impact of tax regulation on transaction structuring.**

Wilde and Wilson (2018) – Figure 2



Recall: JF 1.4/yr., JFE 2.6/yr., and RFS 1.4/yr. over a similar timeframe (2008-2017).

Other non-accounting outlets

- National Tax Journal
- Management Science
- Journal of Public Economics
- Journal of Law and Economics
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- Thank you

- Questions