



American Taxation Association

Volume 48, No. 2 Summer 2002

Ronald R. Tidd, Editor

PRESIDENT'S LETTER

This year flew by with one seemingly incredible event after another. From the tragedy in the fall to the shake up in the accounting profession, this year was anything but dull. In August, when I spoke with you about the need to deal with change, little did I envision the changes this year would bring. Fortunately, the changes the ATA encountered were of a much smaller magnitude than those on the world stage.

In the fall, I worried about whether our members would be willing to travel to the February Midyear Meeting and JATA Conference. Beth Kern and Fran Ayres, in conjunction with their committees, put together a terrific event. In addition, we were fortunate to have Doug Izard along with Tom Gillis, Holly Belanger, and Gillian Spooner organize and present a very worthwhile Friday morning CPE session. The efforts of the committees and presenters along with the continuing financial support of KPMG, LLP created a high-quality Midyear Meeting and JATA Conference and resulted in a well-attended event.

Another change in the ATA is that we will now have another journal. Brian Greenstein and the Publications Committee succeeded in putting together a proposal for *The ATA Journal of Legal Tax Research* that received approval from the AAA Publications Committee and the AAA Executive Council in April. It is hoped that this electronic journal will permit more exploration of tax policy and the underpinnings of tax laws. Gene Seago has issued a call for papers and Ed Schnee has agreed to serve as associate



Anne L. Christensen
ATA President

editor. Along with Brian and his committee, many other ATA members worked hard to make this journal a reality. Shirley Dennis-Escoffier, Past President of the ATA, and Ellen Cook and her Publications Committee along with numerous other individuals invested heavily in bringing this journal to life.

Fran Ayres has served with distinction for three years as JATA editor. Under her leadership the journal has thrived and I appreciate the time and attention she has given the journal. The editor's torch is now being passed to the capable hands of John Robinson. He is a successful researcher and publisher in his own right and I am confident that JATA will continue to prosper as a high-quality journal under his guidance.

Another change that the ATA encountered this year relates to the Annual Meeting. Traditionally, the ATA Business Meeting has been held on the first day of the

conference in the 10:15 AM concurrent slot, immediately before our luncheon. This year the AAA leaders decided they would not permit Section Business Meetings in any of the concurrent time slots. They decided that early morning or 5:30 PM would be the only permissible times for business meetings. Hence, I (reluctantly) scheduled our Annual Business Meeting for Thursday morning. Coffee and juice will be available at 7:00 AM with the committee reports, election of officers, and the vote on changes to the bylaws beginning at 7:30 AM. I am hopeful that despite the early hour, each of you will attend. Andy Cuccia and the Annual Meeting Programs Committee have been working hard to put together a good Annual Meeting Program. Along with several CPE sessions, there will be a number of excellent paper sessions, and Douglas Holtz Eakin, Chief Economist for the President's Council of Economic Advisers will be our luncheon speaker.

Amy Dunbar and her committee have plans for the Midyear Meeting 2003 well underway. The meeting will be February 28 and March 1 in at the Hilton in St. Petersburg, Florida and the theme is "Extending Our Scholarship Beyond the University." The hotel is wired for technology demonstrations and Amy has promised some exciting sessions.

This year the Teaching Resources, Research Resources, and

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Sarasota, FL 34233-2399

President's Letter *(continued from page 1)*

Technology Committees all contributed columns to the *ATA Newsletter*. Hopefully, you found these columns useful and thought provoking. Ron Tidd as Newsletter Editor and Steve Thompson as Webmaster worked quietly behind the scenes to provide strong communication channels for our members. I also appreciate the fine work that Bob Gardner and the Nominations Committee did in selecting a slate of ATA nominees. Dick Weber and the Bylaws Committee took on the task of bringing our bylaws and operations

manual up-to-date. In addition, they developed a proposal for succession procedures, should the ATA be ever faced with filling a vacant position in the future. Hopefully, these procedures will never be needed, but given the uncertainty of the future, it is important to have a process in place. Marty Wartick worked with a committee this year to begin developing a strategic plan for the ATA. The work of this committee should help the ATA to deal with the changing landscape of our profession.

I want to thank you for giving me the honor of serving as the ATA President this year. I have been deeply touched by the opportunity to work with you. The Committee Chairs and all the members who give freely of their time and energy truly make the ATA a wonderful organization. I am confident that the ATA will be in good hands as Beth Kern becomes the next ATA President. She has numerous ideas for building the organization and is dedicated to the success of the ATA. I look forward to serving the ATA in other capacities and I hope to see each of you in San Antonio.

Meet Your President for 2002–2003 BETH KERN, ATA PRESIDENT-ELECT

Beth Kern will become the 29th President of the American Taxation Association in August 2002. Beth is a member of the accounting faculty at Indiana University South Bend where she teaches courses in tax and financial accounting at both the undergraduate and graduate levels. Prior to joining the faculty at IUSB, she was a faculty member at the University of Notre Dame. Her teaching has been recognized on a number of occasions with awards.

Beth earned a B.S. in Commerce in 1980 and an M.S. in Accounting in 1981 from the University of Virginia. After working for a CPA firm, she returned to academia. She received her Ph.D. in Accounting from Indiana University in 1986.

Beth's research interests lie primarily with the impact of financial reporting and tax considerations on business decisions. She also has conducted some research on innovative accounting education methods. Her work has been published in *The Accounting Review*, *The Journal of the American Taxation Association*, *Journal of Accounting and Public Policy*, *Journal of Accounting Education*, *Journal of Accountancy*, and several other journals.

Beth joined the ATA in 1985 and has served as its Vice President and a Trustee. She has also served two terms as a member of the Editorial Review Board of *JATA*. In addition to reviewing manuscripts for *JATA*, she has served as an *ad hoc* reviewer for a number of journals including *The Accounting Review* and *Decision Sciences*.

Beth and her husband, Gary, have two boys who are very active in soccer and ice hockey. Despite their consistent efforts in explaining the difference in the offside rules between the two sports, Beth remains mystified.

The upcoming 2002–2003 year promises to bring exciting challenges and opportunities for the ATA. Beth is currently working with ATA members to organize committees that will address some of these issues. If you have any suggestions, please contact her at bkern@iusb.edu. She is very honored to serve as your President and hopes that you will share your ideas with her.

Newsletter Deadline • Fall 2002 Issue

The deadline for submitting information to the Fall 2001 edition of the *ATA Newsletter* is August 26, 2003. Please send information to Ron Tidd; Central Washington University; 400 East 8th Avenue; Ellensburg, WA 98926-7484. Phone: (509) 963-2466; Fax: (509) 963-2875; Email: Ron@rrtidd.com

Faculty announcements submitted to the *ATA Newsletter* are published in the Fall, Spring, and Summer issues. The announcements are selected on a FIFO and space available basis. Please send your announcement as an email attachment to Ron@rrtidd.com. Alternatively, you can mail both a hard copy and a digital file (on a disk) of your announcement to the editor at the above address.

PROPOSED CHANGES TO BYLAWS

Anne Christensen, ATA President

Dick Weber, Chair of the Bylaws Committee, and his committee have worked diligently to identify areas of the ATA Bylaws that needed to be updated to reflect changes in the ATA. The committee has recommended changes to create flexibility in the timing of the ATA Business Meeting, to reflect the addition of *The ATA Journal of Legal Tax Research*, and to create succession procedures in the event an ATA office becomes vacant. In addition, they have recommended changes to make the bylaws gender-neutral throughout. The Board of Trustees has unanimously recommended the adoption of the following changes in the bylaws.

Revise article VI to allow business meetings and elections at times other than the annual meeting. The reason for this change is the recent actions of AAA causing difficulty with the scheduling of our Annual Business Meeting at the AAA Annual Meeting. Suggested revision:

VI. Annual Meeting (Proposed Wording)

The ATA Section shall hold an Annual Business Meeting that may be held in conjunction with the American Accounting Association Annual Meeting or the ATA Midyear Meeting. The membership must be given at least three months' advance notification of the date of the Annual Business Meeting. The Board of Trustees may call special business meetings of the Association, with reasonable advance notice to the membership.

(Present Wording)

The ATA Section shall hold an Annual Meeting in conjunction with the American Accounting Association Annual Meeting.

These changes are necessary to reflect the existence of our new legal research journal.

The following is proposed to be inserted after the paragraph dealing with the *JATA* Editor and before the *Newsletter* Editor description:

X. Term and Duties of Officers and Editors

Editor of *The ATA Journal of Legal Tax Research*

The Editor is elected for a three-year term that may be extended by reelection for a maximum of three additional one-year terms. The duties of the Editor are as follows:

1. To be responsible for the administration, the content and the publication of the *Journal*.
2. To report to the Board of Trustees and the membership as to the status and current activities of the *Journal*.
3. To advise the President as to the appointment of Associate Editors and members of the Editorial Review Board who are appointed for a one-year term with annual one-year reappointments.

The following would replace the current paragraph 5 under the section dealing with Committee Structure (note that some of the wording of the committee structure has been changed to make it consistent with the ATA's current structure):

XII. Committee Structure (Proposed Wording)

5. The Publications Committee shall consist of four voting members elected by a vote of the entire membership for two-year terms (two elected each year), two voting members appointed by the ATA President (one appointment being made each year) from the most recently elected, non-officer members of the Board of Trustees for two-year terms, with the current editors of *The Journal of the American Taxation Association*, *The ATA Journal of Legal Tax Research*, the *ATA Newsletter*, the *ATA Webmaster*, and the Chair of the Technology Resources Committee serving as ex-officio, non-voting members.

The Committee shall be chaired by the Director of Publications who is the appointed member of the Publications Committee in his or her second year of service; and it is responsible for all policy issues over all ATA publications, but does not have authority to make editorial decisions. The Chair has a vote in all Committee matters. The Committee is responsible for initiating disciplinary action against any ATA Editor. Such action will only be taken in unusual situations, not including situations involving editorial decisions. The Committee has the responsibility and authority for making initial recommendations for disciplinary action to the Board of Trustees after informing the Editor of its planned recommendation. If the Board of Trustees believes that disciplinary action should be taken, it must submit its recommendation to a vote of the entire membership. Voting shall be by a written, mailed ballot that contains both pro and con positions, and a thirty-day period should be allowed for the return of ballots.

(Present Wording)

5. The Publications Committee shall consist of four voting members elected by a vote of the entire membership for two-year terms (two elected each year), two voting members appointed by the ATA President (one appointment being made each year) from the most recently elected, non-officer members of the Board of Trustees for two-year terms, with the current editors of *The Journal of the American Taxation Association*, the *ATA Newsletter*, the *ATA Pagemaster*, and the Chair of the Computer Resources Committee serving as ex-officio, non-voting members.

The Committee shall be chaired by the Director of Publications who is the appointed member of the Publications Committee in

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Proposed Changes to Bylaws

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his or her second year of service; and it is responsible for all policy issues over all ATA publications, but does not have authority to make editorial decisions. The Chair has a vote in all Committee matters. The Committee is responsible for initiating disciplinary action against any ATA Editor. Such action will only be taken in unusual situations, not including situations involving editorial decisions. The Committee has the responsibility and authority for making initial recommendations for disciplinary action to the Executive Committee after informing the Editor of its planned recommendation. If the Executive Committee believes that disciplinary action should be taken, it must submit its recommendation to a vote of the entire membership. Voting shall be by a written, mailed ballot that contains both pro and con positions, and a thirty-day period should be allowed for the return of ballots.

The following changes are proposed to provide a process for dealing with vacancies in ATA offices.

ARTICLE X: DUTIES OF VICE PRESIDENT

1. Add “temporarily” before “unable.” Current wording: “To direct and administer the affairs of the ATA in the event the President is unable to serve including presiding at the Annual Business Meeting.”
2. Delete this item: “To act as Secretary or Treasurer in the event the duly elected Secretary or Treasurer is unable to serve. If the Vice-President is unable to serve as Secretary or Treasurer, the President shall appoint an ATA member to fill the position for the duration of the unexpired term.”
3. Renumber as 2.
4. Renumber as 3.
5. Renumber as 4.

DUTIES OF PRESIDENT-ELECT

Insert a new item 5. to read as follows:

If the office of President becomes vacant, the President-Elect will become the acting President until the Board of Trustees appoints a successor or makes other arrangements to fulfill the duties of the President.

NEW ARTICLE XII. SUCCESSION TO OFFICE IN CASE OF VACANCY

(Existing Article XII and XIII to be renumbered Article XIII and XIV)

In the event that any elected association office becomes vacant because of death, resignation, or inability to serve for any other reason, the Board of Trustees shall meet, as soon as possible, and decide whether to replace the former officeholder. However, a Vice-President-Elect or a President-Elect will always be replaced. If the Board decides not to replace the former officeholder, the Board will decide how the duties of the office will be fulfilled during the remaining term of office.

If the former office holder is to be replaced, the current Committee on Nominations shall meet as soon as possible and recommend at least one candidate for the vacant office. No member of the Committee on Nominations may be recommended for the office. The name(s) of the candidate(s) will be forwarded to the Board of Trustees who shall meet as soon as possible to confirm the candidate (by an acceptable/not acceptable vote) or chose among the candidates by a majority vote of the Board members participating. If no candidate receives a majority vote, the matter shall be returned to the Committee on Nominations. A Board member who is a candidate may not participate in the discussion of or the vote on the candidate(s). Alternatively, the Board of Trustees may, at its discretion, schedule a special election for the office. Such an election may be held by any reasonable means that allows participation of the membership equivalent to that at a normal business meeting. A person

elected under this process will hold office as if elected under the normal election procedures.

The meetings of the Board of Trustees and Committee on Nominations under this article may be held in any way that allows full discussion of the matter, including conference calls and by email.

The bylaws currently state that the President shall appoint the *ATA Newsletter* Editor and Associate Editor of the *ATA Journal*. The following change is proposed to bring the bylaws in line with actual practice.

President

The President shall serve for a one-year term. The duties of the President include the following:

(Proposed Wording)

8. To appoint, in consultation with the Publications Committee and with the approval of the Board of Trustees, the *ATA Newsletter* Editor-Elect and Associate Editors of the *ATA Journals* when necessary.

(Present Wording)

8. To appoint the *ATA Newsletter* Editor and Associate Editor of the *ATA Journal*.

ATA Newsletter Editor

(Proposed Wording)

An Editor-Elect, upon completion of their one-year appointment becomes Editor for a one-year term. The term may be extended by reappointment by an incoming President in consultation with the Publications Committee and The Board of Trustees for an additional one-year term. There is no limit on the number of reappointments for any Editor. The Editor shall be responsible for the administration, content, publication and distribution of the *ATA Newsletter*.

(Present Wording)

The Editor is appointed by the President for a one-year term. The term may be extended by reappointment by an incoming President for an additional one-year term. The editor shall be responsible for the administration, content, publication and distribution of the *ATA Newsletter*.

MINUTES OF THE ATA BOARD OF TRUSTEES MEETING MIDYEAR MEETING • NEW ORLEANS, LA • FEBRUARY 15, 2002

Dave Stewart

Officers and Board of Trustees Members present:

Anne Christensen	Dave N. Stewart
Bryan Cloyd	Hughlene Burton
Ellen Cook	Amy Dunbar
Shirley Dennis-Escoffier	Gary McGill
Bob Gardner	Scott McQuillan
Brian Greenstein	Beth Kern

Other members present:

Fran Ayres	Andy Cuccia
Eugene Seago	Craig Polhemus
John Robinson	Dick Weber
Edward Schnee	Steve Thompson

1. Dave Stewart presented the minutes from the August 12, 2001 Board of Trustee's meeting in Atlanta, Georgia. The minutes were approved.
2. The Treasurer's report was presented by Ellen Cook. It was noted that the membership numbers were down slightly. It was suggested that the ATA web site should be very user-friendly as far as how to join the ATA. Ellen expressed some concern about the staff charges that come from the AAA relative to *JATA* and the other ATA publications. Craig Polhemus from the AAA was present and explained how the AAA determines the costs for the section journals. The policy is a result of a decision by the Executive Committee of the AAA and has been in place for the last five years.
3. Craig Polhemus presented a statistical report on the ATA. Membership is down by 2.6%, but Craig thought that concern over this number was premature and expects it to increase by the end of the year. Student membership is down by almost 13%. One result that was of some surprise to the Board was the fact that the membership demand for hard copy of the newsletter has increased by 79% even though members were charged an extra \$5 for the hard copy.

Craig informed the Board that AAA President, Joel Demski, has proposed that business meetings not be held during concurrent time slots (this is due to space constraints). The Board voiced strong opposition and Craig said that there are other possibilities for holding the business meeting during the normal time period (morning of the first day of the AAA annual meeting).

A motion was made that the ATA will hold its business meeting on the morning of the ATA luncheon. If arrangements cannot be made at the convention hotels, the Board was amenable to moving the business meeting to the San Antonio convention center. This proposal was made into a formal motion and passed unanimously by the Board.

4. Robert Gardner presented the report of the Nominations Committee. Bob presented the name of Beth Kern to replace Ken Orbach as President-Elect for the upcoming year. Robert will present Beth Kern's name for approval of the ATA membership at the Saturday luncheon/business meeting. Note: On February 16, 2002, Beth Kern was unanimously approved as President-Elect by the members present at the business meeting.
5. Andy Cuccia presented the report of the ATA Annual Meeting. Thirty-five papers were submitted this year (36-2001; 33-2000; 40-1999; 48-1998). What is different this year is that when Andy's committee accepts the papers and organizes the sessions, the AAA Annual Program Committee may in fact reorganize the papers so that the concurrent sessions will not necessarily have all tax papers (i.e., tax papers may be presented with audit, financial, or other section papers that, hopefully, are interrelated). While it appears to be an interesting idea, there was some concern about how this will be decided and how it will affect the number of sessions and the selection of the ATA reviewers.

The committee has also submitted two CPE session proposals:

- i. Teaching professional tax research.
- ii. Taxes and asset prices.

It is yet to be determined whether these sessions will be approved.

6. Beth Kern briefly reported on the ATA Midyear Meeting for 2002. It appears that the registration will be about the same as Phoenix. Given the economy and recent world events, everyone was very pleased with

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Minutes of the ATA Board of Trustees Meeting

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the turnout for the 2002 Midyear Meeting. The Board expressed their gratitude to Beth for her work relative to the Midyear Meeting.

7. Fran Ayres reported on the *JATA* conference. Nineteen papers were received and four accepted for the 2002 Midyear Meeting. In the 2001–2002 year, the total submissions to *JATA* were only 14. This is down considerably from past years. Fran Ayres made a proposal that starting with John Robinson's tenure as editor of *JATA*, no more free subscriptions will be given to the *JATA* reviewers. This policy has turned out to be a real headache for the Editor. The proposal was approved by the Board.
8. Amy Dunbar presented the report on the ATA Midyear Meeting for 2003 in St. Petersburg, Florida. She is gathering information at the 2002 Midyear Meeting to help determine concurrent and CPE sessions. Amy feels that things are on schedule and it should be a great midyear meeting.
9. Shirley Dennis-Escoffier discussed the possible hotel sites for the ATA Midyear Meeting for 2004 in Denver. It looks like the Westin or the Hyatt are the most likely hotels for this Midyear Meeting. The meeting will be held on February 27–28, 2004.
10. Anne Christensen presented a proposal that for purposes of the New Faculty Concerns Committee, a new faculty member should be defined as all untenured faculty in tenure-track positions. The Board approved this proposal.
11. Robert Gardner made a proposal on behalf of the ATA Outstanding Service Awards committee that the maximum number of service awards that could be given during the year be increased to two awards. The Board approved this proposal.
12. Dick Weber provided the report of the Bylaws Change Task Force. Dick Weber's task force reviewed all the minutes and the bylaws to see if they are consistent. Several inconsistencies were identified. The Board approved all of the changes proposed by the task force. These specific changes will be proposed to the ATA membership at the business meeting in San Antonio in August 2002.

Dick Weber also led a discussion of whether the Secretary position should be a two-year appointment. The Board decided not to make a change because the bylaws currently allow the Secretary to be reappointed to a second one-year term. The Board preferred the flexibility of the current approach.

With the inability of Ken Orbach to serve as the President-Elect, Dick Weber led a discussion of how we should deal with this type of issue in the future. Several proposals were made and the Bylaws Task Force was asked to come up with a formal proposal that could be considered at the next Board meeting in August 2002.
13. Steve Thompson provided the report on the ATA web site. Steve Thompson proposed that a Webmaster Committee be created with a webmaster and two associate committee members. The replacement for the webmaster should come from the two associate members. The Board approved this proposal.
14. Brian Greenstein presented the report of the ATA Publications Committee. The committee proposed that the title of the new journal be—*Journal of Legal Tax Research*. An amendment to the proposal was that the title be—*The ATA Journal of Legal Tax Research*. In a 7 to 4 vote, the Board voted that the title be *The ATA Journal of Legal Tax Research*. The Board unanimously approved the editorial policy. The committee also proposed that Ed Schnee be the associate editor. The Board also approved this proposal. Brian provided an update on the application for the new journal that is to be submitted to AAA Publications Committee. If all goes well, it will probably be a year before the journal is actually in place.
15. Based on the cost of providing a hard copy of the newsletter, Robert Gardner proposed that the ATA no longer provide a hard copy to its members. The proposal was approved. Robert Gardner also proposed that we need a dues increase to support the cost of the additional services provided by the ATA (including the new legal research journal). It was further proposed that Brian Greenstein, Ellen Cook, and the editors of the journals get together and provide a recommendation as to the size of the dues increase. This proposal was approved.
16. Next Meeting of the Board will be held on Wednesday, August 14, 2002, 1:00 PM in San Antonio.

FINAL REPORT OF THE 2001/2002 ATA NOMINATIONS COMMITTEE

Robert Gardner

The Nominations Committee, Anna Fowler, Shirley Dennis-Escoffier, Lillian Mills, Terry Shevlin, and I recommend the following slate of candidates for election to the specified offices for the 2002–2003 year:

President Elect — Dave Stewart, Brigham Young University

VP Elect — Mark Higgins, University of Rhode Island

Secretary — Susan Anderson, University of North Carolina at Greensboro

Treasurer — Ellen Cook (her second year. No nomination required), University of Southwestern Louisiana

Trustees — Stu Karlinsky, San Jose State University
Shelley Rhoades-Catanach, Villanova University
Merle Erickson, University of Chicago
Bob Halperin, University of Illinois

Publications Committee Members — Ben Ayers, University of Georgia
Brian Spilker, Brigham Young University

The Board of Trustees has also appointed Gillian Spooner from KPMG as a Trustee to be effective August 2002. This appointment has been made in accordance with the bylaws change approved by the membership in our Annual Business Meeting held August 2001.

IN MEMORY OF OUR FRIEND AND COLLEAGUE NANCY FORAN

On February 25, 2002, we lost a true friend and colleague, Nancy Foran. Nancy was an outstanding teacher and scholar. She was the loving wife of accounting professor Michael Foran. Nancy willingly shared her time and talents making many valuable contributions to the American Accounting Association, the American Taxation Association and the Midwest AAA. Nancy received her Ph.D. in 1985 from Oklahoma State University, and was most recently a faculty member at the University of Michigan–Dearborn. She wrote numerous articles on tax policy, and taught a variety of tax classes. Her friends and colleagues share these tributes.

I will remember Nancy as being extremely pleasant, conscientious and helpful, a lady with charm. Nancy was very active in the AAA's Midwest Region, and it was always a pleasure to work with her. [Allen Ford, University of Kansas]

Nancy Foran will be greatly missed. The earth has lost Nancy's physical presence, but her spirit is infinite. She is indeed an angel. I was a Ph.D. student at Oklahoma State, entering in the Fall of 1981 with two wonderful ladies: Nancy Foran and Ceil Pillsbury. Anyone who has ever entered a doctoral program knows that the support and friendship of fellow students is a vital key to successful completion. Nancy was like a big sister that I never had. She cooked great meals for me, and she even helped me pick out the blue blazer for my all-important "dissertation proposal" presentation. My heart aches knowing she's departed, but the memories of Nancy will never leave. Goodbye friend. [Curt DeBerg, California State University, Chico]

Nancy Foran was a committed professional and one of the most caring individuals that I have ever met. She was always willing to give of herself and her time to those around her. She was a truly wonderful human being who left a legacy of unselfishness and professionalism for others to follow. [Ceil Pillsbury, University of Wisconsin–Milwaukee]

I will miss Nancy's warm greetings, friendly smile, and encouraging words. Over the past year, I had the pleasure to work with Nancy on two ATA committees. Nancy reviewed papers for the 2002 Midwest AAA and contributed to a co-authored article for the Fall 2001 issue of the *Journal of State Taxation*. Nancy was extremely dedicated to serving the tax profession, and encouraging new professors. [Christine Bauman, University of Wisconsin–Milwaukee]

Nancy Foran touched many lives. If you would like to remember Nancy, two scholarship funds have been established in her honor.

The Nancy J. Foran Memorial Scholarship
Dept. of Accounting & Finance
University of Michigan–Dearborn
Dearborn, MI 48128

The Nancy J. Foran Memorial Scholarship
School of Accountancy
Wichita State University
1845 Fairmount
Wichita, KS 67260

ATA COMMITTEE CONTRIBUTIONS

TEACHING RESOURCES COMMITTEE

Finding, Creating, and Using Cases

At the 2002 ATA Midyear Meeting in New Orleans, the Teaching Resources committee sponsored a panel session titled "The Case for Cases." For our final newsletter article of the year, we thought it would be helpful to summarize some of the information presented at the session and offer additional resources that were not discussed due to the limited time for the session.

When considering whether to use cases in their classes, many instructors have three major concerns. First, they often wonder what advantages this teaching method offers over other methods. Second, they are unsure where to find appropriate cases or how to develop their own. Finally, they question what changes they may need to make to their own teaching style to use cases effectively. The following provide some information and ideas about each of these concerns.

Why use cases? Bill Bruns offers the following advantages of cases in his article "Why I Use the Case Method to Teach Accounting" (Harvard Business School, 1993):

1. Cases help students to learn.
2. Cases allow different students to learn different things (while they are in the classroom at the same time).
3. Cases link the classroom with practice and real life.
4. Case learning makes every newspaper and business magazine a contemporary textbook. A case-method course never actually ends.

A web site created by the University of Tennessee at Chattanooga (given below) offers 28 additional reasons, including the following:

1. Create the need to know.
2. Provide a space to think about practice.
3. Raise the level of critical thinking skills (application/synthesis/evaluation, not recall).
4. Enhance the listening/cooperative learning skills.
5. Prompt deeper diagnosis and meaning making.
6. Develop problem-solving skills.
7. Help learners connect theory and practice.

Where can I find cases? Locating interesting and thought-provoking tax cases can be a challenge, but here are three possibilities.

First, the PricewaterhouseCoopers Foundation has tax case studies available on their web site. These were designed specifically for use in tax classes and come with suggested solutions. Because the solutions are included, you will need the password you can get from Anna DeMarco, anna.demarco@us.pwcglobal.com. To access the cases go to <http://www.pwcglobal.com/taxcasestudies>.

A second source is to write the case yourself. Dan Schisler, East Carolina University, began writing cases because those he found were either too simplistic or did not cover the topics he needed. His method of development is:

1. Determine the topic area under discussion. For example, if the subject area is determining the deductibility of medical expenses, find an interesting editorial comment on that topic in a tax service that mentions a court case.
2. Use a Citator to find other cases on the same topic.
3. Read through the cases and find a fact scenario that is of interest.
4. Create a composite fact situation about the topic. Subtle changes are necessary in order to limit a student's ability to "get lucky" and find an exact case.

This method produces a ready-made answer because the original cases give the primary authorities, and the Citator results produce other updated and supportive authority.

A third possibility is to develop cases by partnering with corporate tax directors of large, local firms, a course of action followed by Janet Mosebach from the University of Arkansas. Corporate staff members used recent in-house tax issues to create the case studies. The tax directors also volunteered to be guest speakers in the class to let the students see corporate tax issues from their perspective. The partnership created cases that were relevant and interesting because they were based on real-world events.

Materials/Guides on Using the Case Method:

Instructors may often be reluctant to use cases because teaching with this method requires a different set of skills than they may typically use in their class. However, a number of resources offer suggestions for developing these skills.

Teaching and the Case Method by Barnes, Christensen, and Hansen (Harvard Business School Press, 1994). This book focuses on the role of the

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instructor and the student in a case method environment. The book is designed to help instructors develop their discussion leadership skills, so they can effectively deliver classes using this teaching method. The book also focuses on some of the problems faced by instructors who choose to use this method of teaching.

Teaching with Cases by Erskine, Leenders, and Mauffette-Leenders (Ivey Publishing). This book offers practical advice on implementing case teaching in the classroom. Chapters focus on necessary physical facilities and logistics as well as the process of preparing and delivering the class. The book also offers suggestions for incorporating cases in other ways in the classroom (such as case reports, role playing, etc.)

Education for Judgment: The Artistry of Discussion Leadership (Harvard Business School Press, 1992). This book is a collection of chapters written by a number of different instructors who have used the case method to teach their classes. Portions of the book describe the process by which some of these instructors made the transformation from lecturers to discussion teachers, the essential elements of discussion teaching, and challenges faced by using this method. Any instructor who is interested in increasing student participation in class (whether with the case method or otherwise) will likely find the advice in these chapters to be helpful.

<http://www.hbsp.harvard.edu/products/cases/casemethod/rangannot.html> is a link to a free Harvard Business Case "Note" on "Choreographing a Case Class." The paper discusses four approaches to presenting a case: lecturing, theorizing, illustrating and choreographing.

<http://www.utc.edu/Teaching-Resource-Center/Case-Based-Teaching.html> is a great site from the University of Tennessee at Chattanooga that gives answers to most of the normal questions about using cases, such as: why use cases and, what makes a good case. It also addresses topics like the underlying procedures for using cases, choosing and using a case, and more.

http://www.cbe.wvu.edu/hutton/ATA_midyear_02.htm has the materials from the presentation by Marguerite (Zite) Hutton, Western Washington University, at the 2002 ATA Midyear on using the PricewaterhouseCoopers tax cases.

RESEARCH RESOURCES AND METHODOLOGIES COMMITTEE

Recent Tax Research Articles

By Sarah Nutter

Roger H. Gordon and Young Lee. 2001. Do taxes affect corporate debt policy? Evidence from U.S. corporate tax return data. *Journal of Public Economics* 82: 195-224.

This paper uses *U.S. Statistics of Income (SOI) Corporate Income Tax Returns* balance sheet data on all corporations, to estimate the effects of changes in corporate tax rates on the debt policies of firms of different sizes. Small firms face very different tax rates than larger firms, and relative tax rates have also changed frequently over time, providing substantial information to identify tax effects. The results suggest that taxes have had a strong and statistically significant effect on debt levels. For example, cutting the corporate tax rate by ten percentage points (e.g. from 46 to 36%), holding personal tax rates fixed, is forecast to reduce the fraction of assets financed with debt by around 3.5%. Since small firms normally rely much more heavily on debt finance yet face much lower tax incentives to use debt, the estimated effect of taxes would be strongly biased downwards without controls for firm size.

James M. Poterba and Scott J. Weisbenner. 2001. Capital gains tax rules, tax-loss trading, and turn-of-the-year returns. *The Journal of Finance*, Volume 56 (1): 353-368.

Changes in the capital gains tax rules facing individual investors do not affect the incentives for "window dressing" by institutional investors, but they can affect the incentives for year-end tax-induced trading by individual investors. Empirical evidence for the 1963 to 1996 period suggests that when the tax law encouraged taxable investors who accrued losses early in the year to realize their losses before year-end, the correlation between early year losses and turn-of-the-year returns was weaker than when the law did not provide such an early realization incentive. These findings suggest that tax-loss trading contributes to turn-of-the-year return patterns.

Robert L. McDonald. 2001. Cross-border investment with tax arbitrage: The case of German dividend tax credits. *Review of Financial Studies* 14(3): 617-657.

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ATA COMMITTEE CONTRIBUTIONS

(continued from page 9)

German dividends typically carry a tax credit that makes the dividend worth 42.86% more to a taxable German shareholder than to a tax-exempt or foreign shareholder. This results in a penalty for foreign investors who buy and hold German dividend-paying stocks. I document that, as a result of the credit, the ex-day drop exceeds the dividend by more than one-half of the tax credit, and show that futures and option prices embed more than one-half of the tax credit. The existence of the credit creates opportunities for cross-border tax arbitrage-in which foreign holders of German stock transfer the dividend to German shareholders-and implies that it is tax-efficient for foreign investors to hold derivatives rather than investing directly in German stocks. The empirical findings are consistent with costly tax arbitrage activity by German investors, who face tax risk due to anti-arbitrage rules. Since dividend tax credits exist in many other countries, the findings are potentially of broad interest.

Warren B. Hrungr. 2001. Information and IRA participation: The influence of tax preparers. *Journal of Public Economics* 80: 467-484.

The steep drop-off in the number of Individual Retirement Account (IRA) contributors after 1986 has led to suggestions that taxpayers misunderstood and over-reacted to the restrictions on deductible contributions imposed by the Tax Reform Act of 1986. Tax panel data is used to investigate the role of taxpayer misunderstanding in the drop-off in IRA contributors after 1986. The hiring of a tax preparer is the transmission mechanism for knowledge of the deductibility rules after 1986. The results suggest that more information and promotion of IRAs would have increased the probability of contributing to an IRA in 1987 for high-income taxpayers, but would have decreased this probability for middle-income taxpayers. Taxpayer confusion over the deductibility restrictions appears to have been resolved by 1988. Therefore, taxpayer misunderstanding did not play a major role in the steep drop-off in the number of IRA contributors after 1986.

Joel Slemrod, Marsha Blumenthal, and Charles Christian. 2001. Taxpayer response to an increased probability of audit: Evidence from a controlled experiment in Minnesota. *Journal of Public Economics* 79: 455-483.

In 1995 a group of 1724 randomly selected Minnesota taxpayers was informed by letter that the returns they were about to file would be "closely examined." Compared to a control group that did not receive this letter, low- and middle-income taxpay-

ers in the treatment group on average increased tax payments compared to the previous year, which we interpret as indicating the presence of noncompliance. The effect was much stronger for those with more opportunity to evade; in fact, the difference in differences is not statistically significant for those who do not have self-employment or farm income, and do not pay estimated tax. Surprisingly, however, the reported tax liability of the high-income treatment group fell sharply relative to the control group.

James Poterba. 2001. Estate and gift taxes and incentives for inter vivos giving in the U.S. *Journal of Public Economics* 79: 237-264.

This paper describes the current estate and gift tax rules that apply to intergenerational transfers in the U.S. It summarizes the incentives for *inter vivos* giving, gifts from a donor to a recipient while the donor is alive, as a strategy for reducing estate tax liability. It shows that the current level of intergenerational transfers is much lower than the level that would be implied by simple models of dynastic utility maximization. Moreover, even among elderly households with net worth in excess of \$2.5 million, roughly four times the net worth at which U.S. households became liable for estate tax in 1995, only about 45% take advantage of the opportunity for tax-free *inter vivos* giving. Cross-sectional regressions using the 1995 Survey of Consumer Finances suggest that transfers rise with household net worth, possibly reflecting the impact of progressive estate taxes. Households with a preponderance of their net worth in illiquid forms, such as a private business, are less likely to make transfers than their equally wealthy counterparts with more liquid wealth. Those with substantial unrealized capital gains, for whom the benefits of "basis step-up at death" under the income tax are greatest, are less likely to make large inter vivos transfers than similarly wealthy households with higher basis assets.

Asl Demirguc-Kunt and Harry Huizinga. 2001. The taxation of domestic and foreign banking. *Journal of Public Economics* 79: 429-453.

Using bank level data for 80 countries in the 1988-1995 period, this paper examines taxation of domestic and foreign-owned banks. The profitability of foreign banks is found to raise relatively little with their domestic tax burden, perhaps reflecting the availability of foreign tax credits and profit shifting opportunities. The paper also examines whether domestic and foreign banks pay different amounts of

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ATA COMMITTEE CONTRIBUTIONS

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domestic tax. Taxes paid by foreign banks are shown to raise relatively little with the local statutory tax. This evidence supports the hypothesis that foreign banks engage in relatively extensive profit shifting.

Douglas Holtz-Eakin, John W. Phillips, and Harvey S. Rosen. 2001. Estate taxes, life insurance, and small business. *Review of Economics and Statistics* 83 (1): 52–63.

One criticism of the estate tax is that it prevents the owners of family businesses from passing their enterprises to their children. The problem is that it may be difficult to pay estate taxes without liquidating the business. A natural question is why individuals with such concerns do not purchase enough life insurance to meet their estate tax liabilities. This paper examines whether and how people use life insurance to deal with the estate tax. We find that, other things being the same, business owners purchase more life insurance than other individuals. However, on the margin, their insurance purchases are less

responsive to estate tax considerations and they are less likely to have the wherewithal to meet estate tax liabilities out of liquid assets plus insurance.

Gerald Auten and David Joulfaian. 2001. Bequest taxes and capital gains realizations. *Journal of Public Economics* 81: 213–229.

Contrary to popular view, capital gains do not escape taxation at death as they are subject to the estate tax. The presence of the step-up in basis increases the lock-in effect of capital gains taxes as individuals are induced to hold assets until death. This effect, however, is mitigated by the estate tax that applies to assets passed to heirs. Using a sample of matched income and estate tax records in a period that straddles significant changes in capital gains and estate tax rates, the estate tax is found to have an unlocking effect on capital gains realizations. The realization elasticity with respect to the estate tax rate is estimated at 0.36 in the basic model.

REMINDER

Summer Tax Institute 2002

THE CENTER FOR STATE AND LOCAL TAXATION

The University of California, Davis is happy to announce
The 12th **Summer Tax Institute** scheduled **July 7–11, 2002**

For more information please visit our web page at:
www.iga.ucdavis.edu/tax2002.html or email Claudette Oriol at:
cgoriol@ucdavis.edu

CALLS FOR PAPERS

CALLS FOR PAPERS, 2003 ATA MIDYEAR MEETING JATA CONFERENCE 2003

The ninth *Journal of the American Taxation Association* Conference will be held in conjunction with the ATA's Midyear Meeting in February 2003. Papers addressing all interesting and relevant issues will be considered for the conference as long as they relate to taxation. All research methodologies (including, but not limited to, archival/empirical, analytical, behavioral, experimental, and field studies) will be considered.

Papers selected for the conference will be published in a supplemental issue of *The Journal of the American Taxation Association*. Conference papers will be made available to conference participants in advance of the midyear meeting through the ATA web site. Papers not accepted for the conference will be considered for publication in the journal through the normal review process at the option of the author(s).

Papers should be sent to: John Robinson, Editor, *The Journal of the American Taxation Association*
The Red McCombs School of Business
21st and Speedway, 4M.202 CBA
The University of Texas at Austin
Austin, TX 78712-1172
Phone: (512) 471-5315; Fax: (512) 471-3904
Email: j.r.robinson@mail.utexas.edu

Four copies conforming to JATA's published preparation and style guidelines (<http://www.atasection.org/ed-policy.html>) should be submitted along with the submission fee of \$25. Please indicate in the submission letter that the paper is submitted for the Conference. To be considered, **papers must be received no later than October 1, 2002.**

Authors may submit multiple, but not duplicate, papers for consideration at the Education Research session, Legal Research session, and JATA Conference. Multiple submissions, however, must be disclosed with the submission, together with a ranking of preferences among the sessions. Presentations will be limited to one per individual author, with coauthored papers eligible for presentation by different coauthors.

*Please share these announcements with any of your colleagues who may be interested.

LEGAL RESEARCH SESSION, 2003 ATA MIDYEAR MEETING

You are invited to submit for consideration applied tax policy and legal tax research manuscripts for presentation at the 2003 ATA Midyear Meeting, as well as for potential e-publication in the new *The ATA Journal of Legal Tax Research*. All manuscripts must follow the format prescribed on the ATA web site under the *Journal's* announcement and call for papers (<http://www.atasection.org/legal.html>). All articles will be blind reviewed. The Legal Research Session will be held on the afternoon of Friday, February 28, 2003, concurrently with the JATA Conference.

We encourage submission of research that:

- Proposes improvements in U.S., state and local, or foreign tax systems and unique solutions to tax or fiscal problems
- Discusses improvements in tax policy, tax compliance or tax complexity
- Identifies, describes or illuminates important current tax issues
- Critically analyzes recent or proposed legislative or regulatory changes
- Provides critical discussions for strategically structuring transactions, considering tax and non-tax ramifications
- Critically analyzes similarities and differences between tax accounting and financial accounting issues

Authors may submit different papers to different Midyear sessions (e.g., JATA Conference, Legal Session or Education Session). Multiple submissions must be disclosed with the submission. The deadline for submissions of legal research manuscripts is **November 1, 2002**. Three copies should be submitted to:

Stewart Karlinsky, Chair, Legal Research Committee
San Jose State University College of Business, San Jose, CA. 95192-0066

Alternatively, one copy can be submitted via email as an attachment in Word format to: Karlinsky_s@cob.sjsu.edu

Manuscripts will also be seriously considered for publication in the new *The ATA Journal of Legal Tax Research*. If journal acceptance is the primary goal, the paper should be no longer than 20–25 double spaced pages.

CALLS FOR PAPERS

NEW FACULTY AND DOCTORAL RESEARCH 2003 ATA MIDYEAR MEETING

The 15th annual American Taxation Association Midyear Meeting will feature one session with research by new faculty and doctoral students. The ATA scheduled this session to provide new researchers with an opportunity to receive critical feedback on their work. We invite authors to submit early papers (i.e., not yet submitted for publication) and research-in-process. Research-in-process must be sufficiently developed to allow informed feedback; for example, for research involving data, the theoretical foundation should be developed, hypotheses should be formed, and statistical tests described.

Dual submission to both the *JATA* Conference and the New Faculty/Doctoral Research Session is allowed. Should a paper be accepted for both sessions, the author will be asked to choose either the *JATA* Conference or the New Faculty/Doctoral Research Session.

To qualify as a new faculty member submission, the majority of the author(s) must have had a tenure-track faculty position for no more than three years. For new faculty, the research should not be part of an individual's dissertation work. Doctoral students are invited to submit dissertation papers or other working papers.

The ATA will partially support doctoral students who have been accepted to this session; the registration fee for the meeting will be waived and one night's lodging at the conference hotel will be provided.

Submissions must be received by **October 1, 2002**. A statement indicating that the research has not been submitted to a journal should accompany the submission. Electronic submissions (either MS Word or Adobe Acrobat) are preferred. Submissions should be submitted to:

Professor Jon Davis
University of Wisconsin–Madison
975 University Ave.
Madison, WI 53706

Alternatively, one copy can be submitted via email as an attachment in Word format to: jdavis@bus.wisc.edu.

EDUCATION RESEARCH SESSION 2003 ATA MIDYEAR MEETING

Papers are invited for presentation at the 2003 Midyear Meeting of the American Taxation Association (ATA), which will feature a session on March 1, 2003 highlighting education research. All areas of tax education research are encouraged, including but not limited to technological applications, interactive web instruction, distance education, active learning, team teaching, decision-based pedagogy, and curriculum issues. Papers should follow the manuscript preparation and style guidelines of *The Journal of the American Taxation Association (JATA)*. All submissions will receive blind reviews and those accepted for presentation will be made available electronically to ATA members prior to the meeting via a password-protected AAA web site.

We invite authors to submit early papers (i.e., not yet submitted for publication) and research-in-process. Research-in-process must be sufficiently developed to allow informed feedback; for example, for research involving data, the theoretical foundation should be developed, hypotheses should be formed, and statistical tests described.

Authors may submit multiple, but not duplicate, papers for consideration at the Education Research session, Legal Research session, and *JATA* Conference. Multiple submissions, however, must be disclosed with the submission, together with a ranking of preferences among the sessions. Presentations will be limited to one per individual author, with coauthored papers eligible for presentation by different coauthors.

The deadline for submissions of education research manuscripts is **October 1, 2002**. Two copies should be submitted to:

Professor Peggy Hite
Kelley School of Business
Indiana University
1309 E. Tenth St., BU540B
Bloomington, IN 47405

Alternatively and preferably, electronic papers should be sent in Word or WordPerfect format to hitep@indiana.edu.

2002 MIDYEAR MEETING AND JATA CONFERENCE

Beth Kern, Committee Chair



Members of the 2002 Midyear Meeting Program Committee: Standing: Phil Harmelink, Roxanne Spindle, Beth Kern, Hughlene Burton, John Wilguess (liaison from Technology Committee); Seated: Gil Manzon, Nancy Nichols, Shelley Rhoades-Catanach, Fran Ayres (JATA Conference Chair); Not pictured: Steve Dilley, Merle Erickson, Jeff Gramlich, Doug Izard, Bruce Lubich, Suzanne Luttmann.

The last gasps of Mardi Gras greeted over 250 ATA members, invited speakers, exhibitors and reception guests as they arrived in New Orleans for Midyear 2002. The ATA 2002 Midyear Meeting and JATA Conference were held on February 15–16 at the Wyndham New Orleans at Canal Place. This year's theme was "Lagniappe—A Little Something Extra: Blurring the Boundaries between Research, Teaching and Service to Get a Little Something Extra." In keeping with the theme, many of Saturday's sessions explored the intersections among research, teaching, and service with the goal of attaining synergies from the multiple roles faculty fulfill.

Friday morning began with Doug Izard moderating a CPE session featuring tax professionals from KPMG's national tax office. Tim Gillis and Holly Belanger led sessions on state and local tax as well as partner compensation issues. The morning was capped off with Gillian Spooner's session on tax planning and tax traps with the 2001 tax legislation. Friday morning's CPE sessions were well received with many participants indicating on their evaluation forms a desire that CPE sessions continue at future Midyear Meetings.

During Friday's buffet lunch, Anne Magro from the New Faculty Concerns committee introduced new faculty who were attending their first Midyear Meeting.

New faculty and doctoral students also had a breakfast on Saturday morning at which the New Faculty Concerns Committee provided them with advice about a wide variety of career planning issues.

Friday afternoon's JATA Conference had a crowd overflowing out of the meeting room. The eighth annual conference featured papers on earnings management, taxpayer compliance and capital gains holding periods. Ben Ayers, Richard Sansing, John Phillips, and David Guenther sparked lively discussion with their insightful comments on each of the papers. Concurrent with the JATA session were sessions dedicated to legal and education research. Hughlene Burton and the Legal Research Committee organized the legal research session featuring four papers on accumulation distributions, constructive dividends, gambling losses and S Corporation loss limitations. Jan Meade and the Education Research Committee moderated an education research session featuring research on team and active learning issues.

After a day of stimulating CPE sessions and thought-provoking papers, participants adjourned to a wonderful reception hosted by KPMG

with plenty of hors d'oeuvres and libations to sample. After the reception, attendees and guests adjourned to enjoy the fine restaurants, music and nightlife that New Orleans has to offer.

Saturday morning's sessions began bright and early with paper presentations from our newest researchers. Edward Werner and Andrew Schmidt, doctoral students at Arizona State University, as well as Valerie Chambers, a new faculty member at Texas A&M—Corpus Christi, presented their research. Amy Dunbar and Brian Cloyd offered their insightful comments about the papers. Thanks go to Ken Klassen and the Research Resources and Methodologies Committee for organizing this session. Concurrently, Gil Manzon moderated a session on assessment featuring Doug Eder, a prominent expert on assessment. Saturday's sessions also included



Luncheon Speaker:
Lee Sheppard,
Contributing Editor
for Tax Notes



Members of the Education Research Panel Session: Jim Rebele (Editor of the Journal of Accounting Education), Peggy Hite, Don Wygal, and Frank Buckless.

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2002 Midyear Meeting and JATA Conference

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a very well-attended session from two of our master teachers, Sally Jones and Allen Ford, who offered their secrets to success in the classroom. In addition, Shelley Rhoades-Catanach moderated a panel discussion focusing on issues involved with external reviews for promotion and tenure. Brian Cloyd, Bob Halperin, Silvia Madeo, and Sue Porter offered their perspectives into the mysteries of these processes.

Saturday's luncheon featured Lee Sheppard from *Tax Notes*. Ms. Sheppard offered her insights on how the Enron collapse could spill over into the penalty provisions for partnerships. The luncheon also offered attendees an opportunity to sit with journal editors to discuss research opportunities.

Saturday afternoon began with Roxanne Spindle moderating a session on ideas, opportunities, and venues for education research. The panel featured several prominent accounting and tax education researchers including Frank Buckless, Jim Rebele, Don Wygal, and the ATA's own Peggy Hite. Concurrent with this session, the Research Resources and Methodologies Committee organized a panel featuring some of the ATA's



Seasoned Scholars in Action Panel Session: Ken Klassen (moderator), Andy Cuccia, John Robinson and Doug Shackelford.

more seasoned scholars. Andy Cuccia, John Robinson, and Doug Shackelford discussed their own research and offered their perspectives on the research process. The final two sessions of the Midyear Meeting featured an exciting session from the Teaching Resources Committee on the case for using cases in the classroom. Harold Goedde moderated a panel featuring John Everett, Zite Hutton, and Janet Mosebach. Concurrent with this session was a session focusing on the status and future directions for Scholes and Wolfson Research. Merle Erickson moderated a blockbuster panel including Dan Dhaliwal, John Graham, Ed

Maydew, John Robinson, Richard Sansing, and Doug Shackelford. After the conclusion of Saturday's sessions, Arthur Andersen provided a conference call with its CEO to discuss the implications of the Enron collapse.

The KPMG Foundation's longstanding generous support allows us to offer a Midyear Meeting of the highest quality. Their funding helps us bring in outside speakers as well as underwrites a significant component of the program. This year's Midyear Program Committee went the extra mile to develop a diverse and exciting program. Thanks go to Steve Dilley, Merle Erickson, Jeff Gramlich, Phil Harmelink, Doug Izard, Bruce Lubich, Suzanne Luttmann, Gil Manzon, Nancy Nichols, Shelley Rhoades-Catanach, Roxanne Spindle, and John Wilguess. In addition to the Program Committee, a number of other ATA committees contributed to the success of this year's meeting. Special thanks go to Fran Ayres and the JATA Conference Committee, Hughlene Burton and the Legal Research Committee, Jan Meade and the Education Research Committee, Ken Klassen and the Research Resources and Methodologies Committee, Tim Rupert and the Teaching Resources Committee as well as Yvonne Hinson and the New Faculty Concerns Committee. Phil Harmelink and Mark Reid from the University of New Orleans provided invaluable technology support as well as organizing their Beta Alpha Psi students for registration. And, finally, Anne Christensen, Shirley Dennis-Escoffier and Marty Escoffier, generously lent their treasure trove of advice.

Next year's meeting will be February 28–March 1 at the Hilton St. Petersburg, Florida. Amy Dunbar and her committee are already hard at work developing next year's program. If you have any suggestions or comments, please contact Amy, adunbar@sba.uconn.edu, the 2003 Midyear Committee Chair. We can all look forward to this August's AAA meeting in San Antonio for the first glimpse of what promises to be an exciting Midyear 2003 program.

CALLS FOR JOURNAL SUBMISSIONS

THE ATA JOURNAL OF LEGAL TAX RESEARCH

The American Taxation Association announces a new electronic journal. *The ATA Journal of Legal Tax Research* publishes creative and innovative studies employing legal research methodologies that logically and clearly:

- identify, describe, and illuminate important current tax issues including the history, development, and congressional intent of specific provisions;
- propose improvements in tax systems and unique solutions to problems; and
- critically analyze proposed or recent tax rule changes from both technical and policy perspectives.

The ATA Journal of Legal Tax Research solicits unpublished manuscripts not currently under consideration by another journal or publisher. Each article will be published electronically as soon as the editor, based upon advice from referees, determines that the manuscript meets the objectives and standards set forth by the ATA and the *Journal's* editorial board.

Manuscripts should be prepared using the style guidelines available from the ATA web site, and should include and research instruments (questionnaires, case, interview plan, etc.) that are an integral part of the study. The manuscripts are to be submitted via email to weseago@vt.edu as an MS Word file.

A nonrefundable \$50 fee must accompany each submission. The submission fee may be paid online to AAA or mailed to W. E. Seago, Pamplin College of Business, Virginia Tech, Blacksburg, VA 24061-0101. Checks are to be made out to American Taxation Association (AAA). Please indicate how the submission fee requirement has been satisfied. Revisions must be submitted within 12 months from notification; otherwise the manuscript will be considered a new submission.

ADVANCES IN TAXATION

Advances in Taxation is a refereed academic tax journal published annually. Academic articles on any aspect of federal, state, local, or international taxation will be considered. These include, but are not limited to, compliance, computer usage, education, law, planning, and policy. Interdisciplinary research involving economics, finance, or other areas also is encouraged. Acceptable research methods include any analytical, behavioral, descriptive, legal, quantitative, survey, or theoretical approach appropriate to the project.

Manuscripts should be readable, relevant, and reliable. To be readable, manuscripts must be understandable and concise. To be relevant, manuscripts must be directly related to problems inherent in the system of taxation. To be reliable, conclusions must follow logically from the evidence and arguments presented. Sound research design and execution are critical for empirical studies. Reasonable assumptions and logical development are essential for theoretical manuscripts.

Three copies of each manuscript, three copies of any and all research instruments, and a \$30 check made payable to *Advances in Taxation* should be submitted to: Professor Thomas M. Porcano, Department of Accountancy, Richard T. Farmer School of Business Administration, Miami University, Oxford, Ohio 45056; Phone: (513) 529-6221; Fax: (513) 529-4740; Email: porcantm@muohio.edu

JOURNAL OF FORENSIC ACCOUNTING AUDITING, FRAUD AND TAXATION

The *Journal of Forensic Accounting (JFA)* is dedicated to promoting excellence in forensic accounting. *JFA* is an international forum for publication of significant research dealing with investigative and forensic accounting, striving to establish a balance between theoretical and empirical studies. Papers on fraud and fraud auditing, risk assessment, detection of earnings manipulation and tax evasion, bankruptcy studies, GAAP violations, financial statement fraud, internal auditing, and the underground economy are solicited. In addition, papers on particular techniques, technologies, and preventative controls are invited. Submitted research should be grounded in real-world business problems or litigation issues faced by practitioners and entity stakeholders. The audience is academic researchers and educators specializing in forensic accounting, as well as external and internal auditors, process security specialists, and legal, tax, and insurance personnel.

For submission information, please visit the *Journal of Forensic Accounting* web site (<http://www.rtedwards.com/journals/JFA/>) or contact the Editor-in-Chief directly: D. Larry Crumbley, Dept. of Accounting, 3106A CEBA Building, Louisiana State University, Baton Rouge, LA 70803.

OIL, GAS & ENERGY QUARTERLY

The *Oil, Gas & Energy Quarterly* publishes articles by specialists and educators on a quarterly basis. The manuscripts should explore the most significant current developments in oil and gas taxation, accounting, finance, and economics. Severance and excise tax issues and important state tax developments are appropriate topics. Other natural resources articles are also requested (e.g., coal, timber). Research studies derived from empirical and analytical methodologies are encouraged.

For submission information, please visit the *Oil, Gas & Energy Quarterly* web site (<http://www.bus.lsu.edu/accounting/faculty/lcrumbley/oilgas.html>) or contact the editor directly: D. Larry Crumbley, Editor, Dept. of Accounting, 3106A CEBA Building, Louisiana State University, Baton Rouge, LA 70803.

2002 ANNUAL MEETING PROGRAM

CPE Program, Wednesday, August 14

8:00 AM–11:00 AM **Teaching Professional Tax Research**
Presenters: To be announced

1:00 PM–4:00 PM **Taxes and Asset Prices**
Presenters: David Guenther and Terry Shevlin

Thursday, August 15, 7:00–8:30 ATA Business Meeting

Thursday, August 15, 10:15–11:45

Session Title: **Tax Practitioner Research**

Moderator: John Masselli, Texas Tech University

Paper 1: *The Effect of Source Credibility on Tax Professional Judgment in Consulting Engagements*

Raquel Meyer Alexander, University of North Carolina at Wilmington

Paper 2: *Does Representation Matter in IRS Office Audits*

Nancy B. Nichols, James Madison University

John Ellis Price, University of North Texas

Paper 3: *Taxable Income Management by Nonprofit Organizations*

Robert J. Yetman, The University of Iowa

Thomas C. Omer, University of Illinois

Discussant: Richard Hatfield, The University of Texas at San Antonio

Thursday, August 15, 12:00–1:45 ATA Luncheon

Speaker: Douglas Holtz-Eakin, Chief Economist for the President's Council of Economic Advisers and Associate Director for the Center for Policy Research at Syracuse University

Thursday, August 15, 4:00–5:30

Session Title: **Experimental Tax Compliance Research**

Moderator: Cynthia Blanthorne, University of North Carolina at Charlotte

Paper 1: *The Impact of High, Moderate, and No Monetary Incentives on Tax Compliance Behavior in the Laboratory*

V. Umashanker Trivedi, York University

Paper 2: *Prior Audits, Taxpayer Compliance, and the Effect of Earned vs. Endowed Income*

Scott J. Boylan, Washington & Lee University

Paper 3: *Does Fairness Matter in Tax Reporting Behavior*

Chung K. Kim, Hong Kong University of Science and Technology

Discussant: Cynthia Vines, University of Kentucky

Friday, August 16, 2:00–3:00

Session Title: **Taxes and Transaction Structure**

Moderator: Teresa Lightner, Texas Tech University

Paper 1: *Do Taxes Affect the Use of Debt in Financing Corporate Acquisitions?*

Dan S. Dhaliwal, The University of Arizona

Kaye J. Newberry, The University of Arizona

Connie D. Weaver, The University of Texas at Austin

Paper 2: *The Influence of Taxes and Risk in Open Market Stock Repurchase Transactions*

Joel J. Sneed, University of Oregon

Paper 3: *Social Engineering and the IRC: The Effect of § 162(m) on Executive Compensation*

David H. Ryan, Temple University

Steven Balsam, Temple University

Discussants: Michael J. Calegari, Santa Clara University and

Jane Livingstone, Louisiana State University

Friday, August 16, 4:00–5:30

Session Title: **Analysts' Use of Reported Information***

Moderator: Rick Antle, Yale

*Interdisciplinary session including papers submitted through other AAA sections.

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2002 Annual Meeting Program

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Paper 1: *Analysts' Interpretations of Transitory Earnings Components: Evidence from Forecast Revisions after Disclosure of the 1993 Deferred Tax Adjustment*

Kevin C. W. Chen, Hong Kong University of Science and Technology

Morris G. Danielson, Temple University

Michael P. Schoderbek, Rutgers University

Paper 2: *Security Analyst and Stock Market Efficiency in Anticipating Tax-Motivated Income Shifting*

Phil Shane, University of Colorado

Toby Stock, Ohio University

Paper 3: *Differential Use of Information by Financial Analysts for New Economy versus Traditional Economy Companies: Implications for Assurance Providers*

Jay C. Thibodeau, Bentley College

Mohammad Abdolmohammadi, Bentley College

Roger Simnett, The University of New South Wales

Arnold Wright, Boston College

Discussant: Jonathan Rogers, University of Pennsylvania

Saturday, August 17, 10:15–11:45

Taxes and Asset Prices

Moderator: Janet Tillinger, Texas A&M University–Corpus Christi

Paper 1: *Fundamentals of Shareholder Tax Capitalization*

David Guenther, University of Colorado

Richard Sansing, Dartmouth College

Paper 2: *Implicit Taxes: Evidence from Taxable, AMT, and Tax-Exempt State and Local Government Bonds*

T. J. Atwood, University of Illinois

Discussant: Michelle Hanlon, University of Washington

Saturday, August 17, 2:00–3:30

Regulation/Efficiency*

Moderator: Paul Newman, The University of Texas at Austin

Paper 1: *The Effect of State Income Tax Apportionment and Tax Incentives on New Capital Formation*

Sanjay Gupta and May Ann Hoffmann, Arizona State University

Paper 2: *Competitive, Political, and Economic Factors Influencing State Tax Policy Changes*

Thomas C. Omer and Marjorie K. Shelley, University of Illinois

Paper 3: *The Impact of Financial Information and Voluntary Disclosures on Contributions to Not-for-Profit Organizations: A Field-Based Experiment*

Linda M. Parsons, George Mason University

Discussant: Xue Sun, Ting Chen, Haijin Lin, all from Carnegie Mellon University

Saturday, August 17, 4:00–5:30

ATA/Andersen Tax Innovations Awards

*Interdisciplinary session including papers submitted through other AAA sections.

American Accounting Association

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Sarasota, FL 34233-2399

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