



American Taxation Association

Volume 51, No. 3 Fall 2005

Nancy B. Nichols, Editor

PRESIDENT'S MESSAGE

As I write my first letter to you as President of the ATA we are just two weeks past what many are calling one of the most widespread natural disasters in US history. Many thanks to members that passed along information updates and a special thanks to Amy Dunbar for acting so swiftly to update the ATA website. I would also like to applaud those schools who have volunteered to help students from the affected areas either through offers of admission for the semester or year and/ or other resources such as online courses etc. I understand that the biggest shortage is textbooks and supplies beyond personal necessities. At A&M we have 100 new students in the business school and their stories remind me of the resilience of the young in the face of hardship.

I am honored to be the President of this organization because of its members' efforts to prepare it for the future. As this organization begins its fourth decade issues that exist today and that will remain issues for the foreseeable future will test its resilience. Declining membership, the lack of Ph.D. students in tax, the changing landscape of teaching and publication are just a few of the issues that the ATA must address in the next decade. With this letter, I would like to address some of what we are doing today to minimize the impact of these issues on the organization and the members at large.

To address the ATA's membership concerns I have, to provide



Thomas Omer
ATA President

some continuity, asked Bambi Hori to chair the Membership Committee again. I hope that by the end of the year Bambi and her committee will have a new brochure to share with the membership and a questionnaire to determine why members who left the ATA did so. The committee indicated that they expected the questionnaire to be ready sometime during the fall semester 2005. Armed with both initiatives I think we can make strides to reach out to, attract, and keep ATA members in the future.

In addressing the PhD student shortage, I believe that as an organization we have made great strides in attracting PhD students to the ATA. This year's doctoral consortium was well attended under Lil Mills's guiding hand and Ben Ayers has put together a committee that will continue this excellent opportunity. Both Lil and Ben have agreed to implement a suggestion by the long-term planning committee to initiate follow-

up email to all consortium attendees in part to inquire about their continued interest in tax and progress in their perspective PhD programs but also to show that the ATA is an organization that cares. Although addressing the shortage of PhD students is a long-term organization project, I believe we are making significant headway in addressing this issue.

Many of our members are at institutions that will or are undergoing re-accreditation by the AACSB and a continuing theme in the accreditation process is learning outcome assessment. As with any assessment process, there is the fundamental question of what to assess and in the ATA, there are several things currently happening that may help our thinking on this issue. Beth Kern has been working, with several others, on a timely re-visit to the Model Tax Curriculum. Congress's greater proclivity for creating "temporary" tax code creates a more dynamic tax system and that directly affects the classroom environment. Not surprisingly, it raises the bar in terms of teaching requirements, time, and effort for all faculty young and old. If this trend is what the future holds, now is a good time for the ATA to reflect on and discuss the fundamental building blocks of the first tax course. If the ATA can speak with a common voice about learning in the first tax classroom, we as an organization can have greater influence on the

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President's Letter

(continued from page 1)

curriculum at our individual institutions. Shelley Rhoades-Catanach and her committee have put together an excellent Midyear program in San Diego including some interesting sessions that focus on the teaching aspect of our careers including concept mapping, a different approach to thinking about what we teach (not necessarily how) and teaching ethics.

I want to applaud the Publications Committee efforts under Andy Cuccia's guiding hand as it continues in its effort to have JATA listed in SSCI (an email arrived as I write indicating continued work on that process). Information received since the annual meetings indicates that the committee was successful in expanding the free JLTR site per the ATA request, and a technical issue limiting access to the JLTR site for some has been cleared up.

I want to thank John Robinson for his work as editor of JATA and congratulate Bryan Cloyd on his selection to become JATA's new editor. I want to thank Gene Seago for his efforts as the first JLTR editor and congratulate Ed Schnee (Editor-Elect) on his selection as Gene's replacement. I believe our sectional journals are in excellent

hands and we all owe these individuals and their editorial boards many thanks for their efforts in continuing the quality of our publications. New on the research horizon is the creation of an ATA research mentor program to compliment our teaching mentor program. I hope to have additional information for you over the coming year on its development. Lest I forget, my thanks to Nancy Nichols for continuing as the Newsletter Editor and keeping me on time with this letter.

Finally, I want to conclude with a few notes about efforts that are ongoing in the organization and a few personal comments. First, given recent efforts by the Regional Programs Committee headed by Tracy Noga, I believe we are going to see greater coordination between the ATA and the AAA regional program chairs over the coming year. This effort should strengthen our regional ties and provide greater service to our regions. Garth Novack as chair of the New Faculty Concerns Committee is attempting to expand interest in the ATA to new faculty overseas. I will be interested in hearing about the success of his committee's efforts. Finally, Amy Dunbar has put a great deal of effort in the ATA website and I hope you visit it soon. New links include public in-

terest issues, an updated awards section, and many others too numerous to mention; thank you Amy.

Finally yet importantly, according to the AAA we can expect to meet only 36% of the demand for PhD tax faculty in the coming years. This faculty shortage is in part due to an increase in tax faculty retirements. I will not mention names, but I was surprised and saddened by the number of retirements and near retirement plans I was apprised of this year. We lose a great deal of institutional knowledge as these early leaders of the organization quietly say their goodbyes. To them I give heartfelt thanks for your tutelage over the years; you will be missed. For some, the tax faculty shortage has created new opportunities and I congratulate members who were able to take advantage of these opportunities and hope that your transitions were relatively problem free.

With that, I hope to see many of you at the Mid-Year meeting that continues to be supported generously by KPMG and E&Y and I think Shelley and her committee deserve a hand for the site selection and what promises to be an interesting program. See you there.

NEWSLETTER DEADLINE — SPRING 2006 ISSUE

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.

The deadline for submitting information for the Spring 2006 edition of the *ATA Newsletter* is December 17, 2005. Please send your announcement and submissions as an email attachment to Nancy Nichols, nicholnb@jmu.edu. Alternatively, you can mail both a hard copy and a digital file (on a disk) of your announcement to Nancy at:

James Madison University
MSC 0203
Harrisonburg, VA 22807
Phone (540) 568-8778
Fax (540) 568-3017

2005 ANNUAL MEETING LUNCHEON SPEAKER

Cathy Cleek, Chief of the Franchise Tax Board's Filing Division, spoke at the 2005 Annual Meeting Luncheon. She is responsible for filing program policy and operations, including the processing of 15 million returns received annually as well as taxpayer services, and gaining compliance from nonfilers. Cathy was responsible for the ReadyReturn pilot program during the 2004 filing season. The ReadyReturn program is designed to make tax return filing easier for taxpayers who file the simplest returns. Cathy discussed the preliminary results from the program.

Ms. Cleek joined the Franchise Tax Board in 1983 as a tax auditor. Since then she has held a variety of positions including Desk Audit Supervisor, Manager of the Stockton Field Office, and Director of Filing Compliance & Systems Bureau. She led a team of business and information technology staff that reengineered Franchise Tax Board's nonfiler program and system. She holds a master's degree in taxation from Golden Gate University and a bachelor's degree from California Polytechnic State University, San Luis Obispo. She is a Certified Project Management Professional and Certified Public Accountant.



2005 Annual Meeting Luncheon Speaker, Cathy Cleek

CALL FOR SUBMISSIONS – 2006 AWARDS

2006 ATA Tax Manuscript Award

The Tax Manuscript Award Committee requests nominations for the annual ATA Tax Manuscript Award. The award will be presented to the winner at the ATA Luncheon during the 2006 Annual Meeting of the AAA in Washington DC.

Nominations should be sent or emailed to:

Mary Margaret Frank, Chair
ATA Tax Manuscript Award Committee
Darden Graduate School
of Business Administration
University of Virginia
P. O. Box 6550
Charlottesville, VA 22906-6550
E-mail: frankm@arden.virginia.edu
Phone: (434) 924-4432

Manuscripts, books, and chapters of books published during the 2003-2005 period are eligible for consideration. To receive the award, at least one author must be a member of the ATA. For more information about the award, please visit <http://www.atasection.org>. **Nominations will be accepted through January 16, 2006 (Monday).**

2006 Ray M. Sommerfeld Outstanding Tax Educator Award

The 2005/2006 Awards Committee is soliciting nominees for the Ray M. Sommerfeld Outstanding Tax Educator Award

Please submit appropriate support and documentation for your nominee(s) to the chair of the ATA Awards Committee:

Richard P. Weber
N270 Business College Complex
Michigan State University
East Lansing MI 48824
(517) 432-2925
email: weberr@msu.edu

The purpose of the award, the criteria for selecting the recipient, and the nominations process are described on the ATA web site at:

<http://aaahq.org/ata/index.htm>

Nomination Deadline: **February 1, 2006**

See more calls for submissions for 2006 awards on page 4.

CALL FOR SUBMISSIONS — 2006 AWARDS

2006 ATA/PricewaterhouseCoopers Outstanding Tax Dissertation Award

The American Taxation Association in cooperation with PricewaterhouseCoopers presents an annual award for the Outstanding Tax Dissertation at the annual ATA luncheon. The award recipient receives a plaque and a \$5,000 award.

To be eligible, candidates must meet the following requirements:

- Candidates must submit a summary of their dissertation that does not exceed 25 pages (including all tables, graphs, charts, appendices, and bibliography). The summary should describe the motivation, research design, analysis, and results in sufficient detail to allow a complete review. Submission of the summary chapter of one's dissertation is not encouraged.
- The chairperson of the dissertation committee must write a letter to accompany the submission that certifies that the candidate has met all of the requirements for submission.
- The dissertation must have been completed during the 2005 calendar year.
- Qualified candidates must be ATA members.

Submissions must be postmarked on or before **February 28, 2006**. Please send submissions to:

Professor Kathy Krawczyk
North Carolina State University
Department of Accounting, Box 8113
Raleigh, NC 27695-8113
Phone: (919) 515-4439
e-mail: katherine_krawczyk@ncsu.edu

2006 ATA Outstanding Service Award

The 2005/2006 Awards Committee is soliciting nominees for the ATA Outstanding Service Award.

Please submit appropriate support and documentation for your nominee(s) to the chair of the ATA Awards Committee:

Richard P. Weber
N270 Business College Complex
Michigan State University
East Lansing MI 48824
(517) 432-2925
email: weberr@msu.edu

The purpose of the award, the criteria for selecting the recipient, and the nominations process are described on the ATA web site at:

<http://aaahq.org/ata/index.htm>

Nomination Deadline: **February 1, 2006**

2006 ATA/Deloitte Teaching Innovation Award

The American Taxation Association in cooperation with Deloitte presents an annual Teaching Innovation Award at the annual ATA luncheon. The award recipient receives a plaque and a \$5,000 award.

Submissions will be accepted in the following two categories:

- Innovations in introductory tax courses (the first or second tax course in any undergraduate or graduate business curriculum)
- Innovations in advanced tax courses (either required or elective courses for which an introductory tax course is a prerequisite and which are offered in any undergraduate or graduate business curriculum)

The primary objective of the award is to encourage creativity and experimentation with new and unusual ideas. Submissions could include, but are not limited to, the following:

- A new framework or paradigm on which the organization of a course is based
- The novel use of a learning technique or methodology
- The use of original cases or other course materials designed by the instructor
- An experiment in group learning or problem-solving
- Integration of non-technical issues (ethics, communication skills, etc.) into the tax curriculum

The innovation must have been used in a tax course that the person submitting has taught or is currently teaching. For courses in which the subject matter is not primarily taxation, innovations that relate to tax modules or components are eligible if the tax portion represents at least one-third of the course content.

To be considered for the award, at least one author or co-author must be a member of the ATA. Award winners will make a presentation about their innovations at a meeting of the ATA and must agree to the dissemination of their award-winning innovations to the ATA membership.

Submissions must be postmarked on or before **January 15, 2006**. Please send submissions to:

Professor Allen Ford
University of Kansas School of Business
1300 Sunnyside Avenue
Lawrence, KS. 66045
Phone: (785) 864-7523
e-mail: aford@ku.edu

ATA COMMITTEE CONTRIBUTIONS

Research Resources and Methodologies Committee

Auditor Independence and Non-Audit Services

Jim Seida, Associate Professor, University of Notre Dame

This column is another in the series sponsored by the Research Resources and Methodologies Committee that summarizes research papers found outside tax and accounting journals that are of possible interest to ATA members. In this issue, we review two papers related to auditor independence, a topic of great importance especially in light of recent regulatory events (e.g., Sarbanes-Oxley Act) and guidance issued by the Public Company Accounting Oversight Board (PCAOB).

Ashbaugh, H. 2004. Ethical issues related to the provision of audit and non-audit services: evidence from academic research. *Journal of Business Ethics*, Vol. 52, pp. 143-148.

Ashbaugh (2004) provides a historical account of concerns regarding auditors' lack of independence due to the provision of non-audit services and summarizes research on auditor independence. The paper serves as a good introduction to this area of research. The paper opens with a quote from Arthur Levitt, past chairman of the Securities and Exchange Commission (SEC), in which Mr. Levitt stresses the importance of financial audits to the public's confidence in U.S. capital markets. He states that the auditor "...must be perceived to be fair and independent, both in fact and appearance, from the management team who prepares the financial statements." The paper then describes the role of auditing in the U.S. capital markets. Ashbaugh explains that financial statements are intended to attenuate asymmetric information, and that GAAP provides a basis to compare a firm's performance to other firms and to its own performance across time (p. 143). The auditor's role is crucial because auditors are responsible for attesting to whether or not the financial statements represent economic reality as captured by GAAP (p. 144). The independence dilemma arises because the auditor is hired and paid by the firm for which the audit opinion is issued. Prior to the Sarbanes-Oxley Act, top management negotiated the audit fee and hired the auditor. This arrangement had the ability to compromise the integrity and objectivity of the external audit because the audit firm was bonded to management of the client firm. To the extent that the total fees received by the client were larger due to the provision of non-audit services, potential independence issues were exacerbated.

Ashbaugh notes that concerns regarding auditor independence due to the provision of non-audit services have been "lurking" in the capital markets since 1957 and reviews two 'waves' of research on auditor

independence. The first wave was in response to a 1978 SEC requirement that publicly-traded firms disclose the percentage of fees paid to the auditor for non-audit services and whether the audit committee had approved such services after considering the possible effects of the additional services on independence. While these studies generally show that the provision of non-audit services does lead to increased economic bonds and rents between the auditor and the audit client, it is not clear if the non-audit fees compromise auditor objectivity.

The second research wave was in response to a SEC requirement (passed in 2000) that publicly-traded firms disclose the amount of fees paid to the auditor for both audit and non-audit services. Most of the research in the second wave finds no evidence that the provision of non-audit services impairs auditor independence. Ashbaugh, however, raises a couple of limitations of the research that supports this conclusion. First, the studies supporting this conclusion rely on the failure to reject the alternative hypothesis (i.e., lack of a statistical finding). Second, the prior studies examine independence in fact (by documenting independence violations), as noted in the quote by Arthur Levitt, auditors need to be independent in fact and appearance.

Ashbaugh closes by noting that the 2002 Sarbanes-Oxley Act limits permissible non-audit services and thus likely mitigates the extent of economic bonding between auditor and the audit client, but notes that the independence dilemma remains. She suggests that future research investigate auditor independence in both *fact* and *in appearance*.

Maydew, E., and D. Shackelford, The changing role of auditors in corporate tax planning," NBER working paper No. 11504 (July 2005) and forthcoming in *Taxing Corporate Income in the 21st Century*, edited by Alan Auerbach and Joel B. Slemrod, Cambridge University Press, 2006.

Maydew and Shackelford examine how recent regulatory events (i.e., Sarbanes-Oxley Act, SEC actions, and formation of the PCAOB) are affecting audit-firm provided tax planning services and offer their predictions for what changes may occur. In contrast to Ashbaugh, who focused on non-audit services including tax services, this paper focuses on auditor-provided tax services. Unlike most other auditor-provided consulting services, auditor-provided tax services are permissible under the Sarbanes-Oxley Act.

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ATA Committee Contributions *(continued from page 5)*

Maydew and Shackelford (2005) provide a concise summary of research on auditor independence issues due to the provision of non-audit related services (by the auditor) and on regulatory events affecting auditor-provided tax services. The discussion of the recent regulatory events highlights the tension that now exists if the auditor provides tax planning services. Recent PCAOB guidance issued in July 2005 suggests that auditor independence is compromised if tax services are provided under a confidentiality agreement or if the services include IRS listed transactions. The Sarbanes-Oxley Act requires audit-firm provided tax services to be pre-approved by the audit client's audit committee. Maydew and Shackelford discuss the difficulty of receiving audit committee approval in a timely fashion and the likely predisposition of the audit committee to reject such services in order to ensure independence is not compromised.

Given that the audit firm is less involved in tax planning, if at all, Maydew and Shackelford discuss potential issues associated with auditing the financial statement income tax provision. They state that one advantage auditors had when providing tax services was that it limited concerns that the auditor would oppose the financial accounting treatment of a particular tax plan. If the auditor is no longer vested in the tax plan, the uncertainty regarding the financial statement treatment of a given tax plan may reduce the desirability of tax plans with uncertain financial statement benefits. Maydew and Shackelford state that one consequence of the current and proposed regulatory changes is that auditors' tax accrual working papers will provide more information that aides tax authorities. They conjecture that the reduced ability to record financial statement benefits will "...reduce the amount and aggressiveness of tax planning and increase actual corporate tax payments" (p. 15).

Maydew and Shackelford's paper includes an analysis of audit fee data. Specifically, they analyze auditor fee disclosures made by 248 S&P 500

companies that adopted early disclosure of auditor fee information. The time period covered is 2001-2003. They report that audit fees grew considerably from 2001 to 2003; the reported mean audit fee grew from \$4.0m in 2001 to \$5.7m in 2003, a forty-three percent increase. However, over the same period, tax fees for auditor-provided tax services declined by twenty percent from \$3.2m in 2001 to \$2.5m in 2003. Maydew and Shackelford note that "providing tax services to publicly-traded audit clients is a significantly diminished source of revenue for the major accounting firms" (p. 20).

Despite the reduction in auditor-provided tax services, Maydew and Shackelford provide some evidence that tax revenues for the Big-4 accounting firms increased over the 2002-2004 period. The fact that tax revenue from audit clients declined is offset by the reshuffling of tax work among the Big Four accounting firms by publicly-traded companies in response to the Sarbanes-Oxley legislation.

The authors conclude by speculating what the future may hold for tax planning practices within auditing firms. The authors refer to a press release by a consulting firm disclosing the hiring of several prominent tax professionals from a Big Four accounting firm. The press release mentions the independence conflicts that hinder tax planning by Big Four accounting firms. The authors discuss issues surrounding spinning off or selling off the Big Four auditing firms' tax practices. The authors state that they are "skeptical that a net synergy remains to having tax and audit specialists in the same firm as their respective client bases diverge from one another" (p. 26). They also provide reasons why they believe that law firms are not likely candidates to purchase large portions of the Big Four tax practice and why strategic consulting firms may be likely candidates to purchase a portion of the Big Four tax practice or enter these markets.

2006 AAA ANNUAL MEETING CALL FOR PAPERS

ATA members are encouraged to submit their papers for presentation at the 2006 Annual Meeting to be held in Washington, D.C., August 6-9. Papers should be submitted electronically through the AAA web site and directed to the ATA section. Information regarding the 2006 Annual Meeting and paper submission guidelines will be available on the AAA web site (<http://aaahq.org>).

2006 ATA Midyear Meeting

New Faculty and Doctoral Research, 2006 ATA Midyear Meeting

The 18th annual American Taxation Association (ATA) Midyear Meeting will feature a session devoted exclusively to research by new faculty and doctoral students. This session provides new faculty and PhD students an excellent opportunity to gain exposure by presenting their research in a conference setting and to receive constructive feedback on their work. Selected papers will be made available in advance of the midyear meeting through the ATA web site. We invite authors to submit research papers and research-in-process papers. Research-in-process must be sufficiently developed to allow informed feedback (e.g., well developed background and theory, clearly stated hypotheses, and planned statistical analysis).

Dual submission of manuscripts to 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.

Eligibility:

In order for a paper to qualify for the New Faculty and Doctoral Student Research Session, at least one author must have started their first tenure-track faculty position during the 2002-03 academic-year or later or be a doctoral student. Doctoral students are invited to submit papers based on their dissertation or other working papers.

Papers already accepted for publication prior to the selection announcement date are ineligible; submission of papers close to publication acceptance is discouraged.

Doctoral Student Support:

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

Deadline:

Submissions must be received by November 1, 2005. Papers selected for the New Faculty/ Doctoral Research Session will be announced by December 15, 2005.

Submission:

Questions and submissions should be made electronically to Jim Seida at jseida@nd.edu. Please include "New Faculty/Doctoral Research" in the subject line of the email. Submitted manuscripts should be either MS Word or Adobe Acrobat files attached to an email. Since a blind review process is used to evaluate manuscripts, send the title page in a separate file

from the manuscript file and delete any identifying information from the manuscript file. A statement indicating the manuscript's status should accompany the submission; the statement should also note if the manuscript is being simultaneously submitted to the JATA Conference.

Legal Research Session, 2006 ATA Midyear Meeting

You are invited to submit for consideration applied tax policy and legal tax research manuscripts for presentation at the 2006 ATA Midyear Meeting, as well as for potential e-publication in *The ATA Journal of Legal Tax Research*.

All manuscripts must follow the format per *The Journal of Legal Tax Research*. All articles will be blind reviewed.

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 nontax 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, etc.). Multiple submissions must be disclosed with the submission. Papers that have been previously published or that have been accepted for publication are not eligible. The deadline for submissions of legal research manuscripts is **November 1, 2005. Three (3) copies of the paper should be submitted to:**

William N. Kulsrud, Chair, Legal Research Committee

Kelley School of Business
Indiana University
801 West Michigan
Indianapolis, IN
Phone: 317-274-3422

Or, **ONE COPY** via email to: wkulsrud@iupui.edu

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

2004-2005 AWARD RECIPIENTS

2004-2005 ATA Service Award

The 2004-2005 ATA Service Award was presented in absentia to Professor Sandra Kramer of the University of Florida. Sandy received her doctorate degree from the University of Texas in 1979, the same year that she joined the Florida faculty and began her distinguished career of service to the ATA. Sandy was a member of the JATA editorial board from 1980 through 1988, became editor-elect in 1992, and served as editor from 1993 through 1996. During this same time period, she participated on numerous ATA committees and chaired both the Annual Meeting Program Committee and the Long Range Mid-Year Meeting Planning Committee. She was elected Vice-President in 1988 and President-Elect in 1996. After serving her term as ATA President for 1997-1998, Sandy has continued to be a welcome presence in the life of our organization.

During her twenty-five year history of service, Sandy brought her unique blend of enthusiasm, energy, and good humor to the ATA. She has been a tireless worker and has contributed in innumerable ways to our organization's success. Sandy's selection as this year's Service Award winner is a well-deserved honor that reflects the esteem of the entire membership.



Ed Outsley, Mary Margaret Frank, Gary McGill

2004-2005 ATA Tax Manuscript Award

The 2004-2005 ATA Tax Manuscript Award was announced at the ATA luncheon at the American Accounting Association annual meeting in San Francisco on August 8, 2005. The recipients are Gary McGill and Ed Outsley for "Lost in Translation: Detecting Tax Shelter Activity in Financial Statement." published in 2004 in the *National Tax Journal*.

The manuscript addresses the disclosure of tax shelter activity in the financial statements. Tax shelter activity is one of the hottest topics in tax over the last few years, and the manuscript communicates this interesting, but difficult, subject in an appealing and accessible way. The topic is of interest to a variety of audiences such as accounting, finance and economic academics as well as the business community and policymakers. The manuscript's clear approach to a challenging topic will educate these diverse constituents, thereby, advancing the ATA.

2004-2005 ATA/Deloitte Teaching Innovation Award

The ATA/Deloitte Teaching Innovation Award was presented to Bill Duncan, John Everett, Sharon Lassar, and Walfried Lassar at the ATA luncheon on Monday August 8, 2005. The winning submission is a web-based case study that involves a "closed fact" planning situation utilizing cost segregation analysis. A sale of nonresidential realty has already taken place and the taxpayer seeks advice regarding a retroactive change in depreciation that impacts the calculation and character of the recognized gain.

A series of ten sequential practice sets spread over the semester emphasize a "learn a little and then use it" approach to assure that each layer of technical material and increasingly sophisticated analysis is mastered before the next is attempted. The assignments also introduce ethical issues of professional responsibility, due care, confidentiality, disclosure, and conflicts of interest by a practitioner or within a firm.



John Everett, Bill Duncan

2004-2005 ATA/ PriceWaterhouseCoopers Outstanding Tax Dissertation Award

The ATA/PricewaterhouseCoopers Outstanding Tax Dissertation Award was presented to Andrew Schmidt at the ATA luncheon on Monday, August 8, 2005. Presenting the award was Jane Wyer of PwC and Jeff Patterson, Florida State University. Andrew's dissertation, "The Persistence, Forecasting Ability, and Valuation Implications of the Tax Change Component of Earnings" was completed at the Arizona State University. Charles Christian and Joseph Comprix served as Andrew's dissertation co-chairs.

Andrew's dissertation examines whether earnings generated by changes in effective tax rates persist and aid in forecasting future earnings incremental to aggregate earnings excluding the change. His study extends prior research by testing whether the market fully incorporates the pricing effects of the persistence of the change. He finds that earnings generated by changes in effective tax rates are more persistent than transitory and are useful in forecasting future earnings.

Andrew is an assistant professor at Columbia University. We congratulate Andrew on this award and wish him the very best in his career!



Jeff Patterson, Andrew Schmidt, Jane Wyer

2004-2005 Ray M. Sommerfeld Outstanding Tax Educator Award



Terry Shevlin, Anne Christensen

At the annual ATA Luncheon held on August 8, 2005 in San Francisco in conjunction with the AAA Annual Meeting, Terry Shevlin was honored as the Ray M. Sommerfeld Outstanding Tax Educator by Anne Christensen. She was assisted by Ellen Glazerman of the Ernst & Young Foundation. Since the award's inception, Ernst & Young has awarded many thousands of dollars in scholarships to universities of the recipients' choice and has provided the funds to purchase the crystal sculptures that accompany the award. Ray Sommerfeld was a truly inspired tax educator who made a difference in numerous students' lives. He was truly a master teacher.

Terry Shevlin is truly a worthy recipient of this award. He has received the ATA Tax Manuscript Award three times, the AAA Competitive Manuscript Award two times, and the Journal of Accounting Economics Conference Best Paper Award once. His former students are now receiving similar awards. He has more than thirty publications in top tier journals. Again and again, he has participated in doctoral consortia and inspired Ph.D. students to enter the field of taxation.

Terry Shevlin has served on the editorial boards of the *Journal of the American Taxation Association*, *Advances in Taxation*, *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Accounting and Finance*, *Journal of Accounting and Public Policy*, *Contemporary Accounting Research*, *Journal of Accounting, Auditing, and Finance*, and the *Asia-Pacific Journal of Accounting and Economics*. He has served as the Director of the School of Business Doctoral Program and Accounting Area Doctoral Program Coordinator at the University of Washington, since 1998. The doctoral business students at this institution are required to participate in a Teaching Effectiveness Seminar to insure that they become both good teachers and good researchers while in the program. He also has served as the BA Faculty Council Chair and Research Committee Chair.

2006 CALLS FOR NOMINATIONS

2006 ATA Officers, Trustees, and Publications Committee Members

The ATA Nominations Committee is seeking nominations for the following positions for the 2006-2007 academic year:

- President-Elect
- Vice President-Elect
- Secretary (one-year term with opportunity for additional one-year term))
- Four Trustees (two-year terms)
- Two members of the Publications Committee (two-year terms)

Please take the time to think about who you would like to see in ATA leadership positions. These individuals will influence the activities of the ATA in the coming years.

Please email, phone, fax or mail your nominations by January 31, 2006 (earlier nominations are encouraged) to:

Dave N. Stewart, CPA, Ph.D.
Rachel Martin Professor
528 TNRB, School of Accountancy
Brigham Young University
Provo, Utah 84602
Phone: (801) 422-2365 • Fax: (801) 422-0621 • Email: dstewart@byu.edu

2006 AAA Regional Meetings

ATA members are encouraged to attend the AAA regional meetings to help ensure high quality tax sessions at these meetings. Dates for the annual regional meetings are as follows:

Region	Dates	Call for Papers Expires
Southwest	March 1 - 4, 2006	October 15, 2005
Midwest	March 30 - April 1, 2006	November 1, 2005
Southeast	March 30 - April 1, 2006	December 15, 2005
Mid-Atlantic	April 20 - 22, 2006	January 13, 2006
Northeast	April 20 - 22, 2006	January 20, 2006
Western	April 27 - 29, 2006	December 1, 2005
Ohio	May 4 - 6, 2006	January 31, 2006

See the AAA website and the ATA website for additional information.

2005-2006 Officers and Trustees



*Seated from L to R: Shelly Rhoades-Catanach, Tom Omer, Mark Higgins
Standing from L to R: Nancy Nichols, Andy Cuccia, John Phillips, Suzanne Luttman, Bob Yetman*

2006 Mid-Year Meeting and JATA Conference

February 24 - 25, 2006

Sponsored by: The KPMG Foundation

TENTATIVE PROGRAM

Please check <http://aaahq.org/ata/index.htm> for updates to the program.

Friday, February 24, 2006

7:30 a.m. **Registration Opens** *Sunset Deck*

7:30 a.m.-6:30 p.m. **Publisher Exhibits** *Sunset I*

7:30-8:30 a.m. **Continental Breakfast** *Sunset I*

CPE SESSIONS

8:15 -9:45 a.m.

Bayview Room

1) Schedule M-3 Reporting Requirements

This session will be led by professionals from KPMG.

10:15-11:45 a.m.

Bayview Room

2) Assessing Internal Controls for the Tax Function

This session will be led by professionals from KPMG.

10:00 a.m-Noon

Sunset II

JATA Conference Part I

Moderator: Bryan Cloyd (Virginia Tech)

Noon-1:15 p.m.

Sunset Lawn

Lunch

New faculty will be introduced by the Chair of the New Faculty Concerns Committee.

1:30 - 3:30 p.m.

Bayview Room

Legal Research

Moderator: Cherie Hennig (Florida International)

Committee Member: Tracy Noga (Bentley College)

1:30 - 3:30 p.m.

Sunset II

JATA Conference Part II

Moderator: Bryan Cloyd (Virginia Tech)

3:30 - 4:00 p.m.

Refreshment Break *Sunset I*

4:00 - 5:45 p.m.

Sunset II

The Changing Relationship between Tax Professional and Auditor

Moderator: TBA

Committee Member: John Tripp (U. of Denver)

Panelists in this session will discuss the dynamic nature of interactions between tax professionals and auditors in light of recent experiences implementing the Sarbanes-Oxley Act and other proposals of the PCAOB. Panelists will include regulatory, public accounting, and industry representatives.

5:45 - 6:45 p.m.

Committee Meetings

See registration area for the meeting locations.

7:00-8:00 p.m.

Reception Sponsored by KPMG *Sunset Deck*

Saturday, February 25, 2006

7:30-8:30 a.m. **Continental Breakfast** *Sunset I*

7:30-8:30 a.m. **New Faculty Breakfast** *Sunset III*

7:30-5:00 p.m. **Publisher Exhibits** *Sunset I*

CONCURRENT SESSIONS

8:30-10:00 a.m. **(1) Research by New Tax Faculty**

Sunset II

Moderator: Jim Seida (Notre Dame)

Committee Member: Steve Gill (U. of Massachusetts)

New faculty and PhD students will present their research in this session. The goal of this session is to provide a forum for new tax researchers to present early research and to receive feedback from discussants and participants.

(Refer to the enclosed Call for Papers for submission guidelines.)

8:30-10:00 a.m.

Bayview Room

(2) Curriculum Assessment and Accreditation

Moderator: TBA

Committee Member: Susan Porter (U. of Massachusetts)

Panelists in this session will discuss the development of tax curriculum learning objectives and measures for assessing achievement of those objectives. Panelists will also discuss their experiences with AACSB accreditation and its evaluation of tax curriculum assessment efforts.

Saturday, February 25, 2006

Saturday Concurrent Sessions *(continued from page 11)*

- 10:00-10:30 a.m. **Refreshment Break** *Sunset I*
10:30-Noon. **(1) The Future of Tax Research: What are the Big Unanswered Questions?**
Sunset II
Moderator: John Robinson (Texas)
Committee Member: George Plesko (U. Connecticut)
This session will feature as panelists senior tax researchers in the fields of accounting, finance, law and economics. Each panelist will present his or her views on the following question: What tax issues would you like to see addressed by tax researchers in the next 5 to 10 years? A transcript of each panelists' comments will be published in a forthcoming issue of *Journal of the American Taxation Association*.
- 10:30-Noon **(2) ATA/Deloitte Teaching Award**
Bayview Room
Moderator: Alan Ford (Kansas)
Committee Member: Pam Smith (Texas-San Antonio)
This session will feature the 2005 ATA/Deloitte Teaching Innovation Award winner(s).
- Noon-1:30 p.m. **Lunch** *Mission Bay Room*
Speaker: TBA
- 1:30-3:00 p.m. **(1) Research Methods - A Series of Useful Snippets**
Sunset II
Moderator: John Phillips (Connecticut)
Committee Member: Ken Klassen (Waterloo)
In this session, researchers will discuss a variety of useful methodological techniques. The presenters will identify when these techniques are appropriate and outline the basics of each. Potential topics include correcting for selection bias, modeling and estimating simultaneous equations, using a survey instrument, modeling tax versus non-tax trade-offs, using marginal tax rates, and applying statistical procedures such as tobit regression, LISREL, and factor/principal components analysis.
- 1:30-3:00 p.m. **(2) Concept Maps: A Tool for Planning, Assessment, and Learning in the Tax Curricula**
Bayview Room
Moderator: Tom Omer (Texas A&M)
Committee Member: J Shaw (Mississippi)
Concept maps are planning, assessment and learning tools. They provide a visual means of planning complex projects (including the fit and arrangement of courses within curricula), taking a "peek" at students' understanding of linkages among concepts covered in complex curricula/ systems, assessing growth in their understanding of linkages, and as an assignment, encouraging students to think about, forge, and convey linkages among concepts. Participants will be introduced to a variety of concept map types, listen to panel members' experience with concept mapping and engage in a group concept mapping exercise.
- 3:00-3:30 p.m. **Refreshment Break** *Sunset I*
3:30-5:00 p.m. **(1) Tax Planning in a Post-Enron World**
Sunset II
Moderator: Bryan Cloyd (Virginia Tech)
Committee Member: Andy Cuccia (Oklahoma)
This session will present preliminary research results by authors whose work was accepted for the JATA research forum. The goal of the forum is to stimulate collaborative research among academics at different career stages yet sharing a common interest in taxation and tax policy.
- 3:30-5:00 p.m. **(2) Synthesizing Approaches to Teaching Ethics to Accounting Majors - Applications in Tax Courses**
Bayview Room
Moderator: Caroline Craig (Illinois State University)
Committee Member: Nathan Oestreich (San Diego State)
Accounting programs may or may not require ethics topics or courses. In some programs, tax courses cover ethics independently with modules and applications where appropriate. Learning objectives in tax courses in other programs can build on and reinforce concepts of ethics introduced in a prior required accounting or business ethics course.

Meeting Registration Information

You may register at the ATA website (<http://aaahq.org/ata/index.htm>). The meeting registration fee includes a name badge (required for admittance to all events), all meals specified in the program, and a list of registrants. Anyone whose registration is not received by January 23, 2006 will be charged a \$50 late registration fee. To help us assure the proper room size and food requirements, it is very important that you complete the enclosed form indicating the sessions and meals you expect to attend.

Conference Hotel Information

The conference will be held at Paradise Point Resort & Spa, located in the Mission Bay area of San Diego. For more information about the hotel, please visit their website at <http://paradisepoint.com>.

Making a Reservation Hotel reservations may be made either by phone or online. To make a reservation by phone, call toll-free 800-344-2626. Be sure to mention that you are with the American Taxation Association to get our special rate of \$160 (plus tax) for either a single or double room. To make a reservation online, follow these instructions: Go to the hotel's website at <http://paradisepoint.com/> and click on Make a Reservation. Enter the requested reservation dates. Leave the Preferences section blank. To get our special ATA rate, enter the following Group/

Event ID: 23368. Click on Begin Search. At the bottom of the Event/Hotel description, click on View Rates. Our guaranteed rate of \$160 (plus taxes) should be displayed. Click on Select next to the room rate. Read and accept the Guarantee/Deposit & Cancellation Policy, then click Continue Booking. Enter the requested personal information then click Complete Reservation. You will be given a confirmation number at this time.

We had to guarantee a minimum number of guest rooms to get this rate (the ATA must pay for unused rooms). To help us meet the room block requirement, please stay at Paradise Point Resort and make your reservations early. A block of rooms will be held until January 23, 2006. However, we cannot guarantee that any additional rooms will be available in the hotel once our block of rooms is sold out, even if the block is sold out before the cut off date. So please don't wait until the last minute to make your reservations.

Checking In/Out Check-in time is 4:00 p.m. and checkout time is 12:00 p.m. Although your room may be ready before the normal check-in time, this cannot be guaranteed. If you arrive early and your room is not available, the hotel will provide storage for your luggage. Our special rate will be honored by the hotel (subject to availability) from February 19 through February 28, 2006.