

American Taxation Association

Volume 10, Summer 1984

Caroline Strobel, Editor
University of South Carolina

A LETTER FROM THE PRESIDENT

TO THE ATA MEMBERSHIP:

On March 22 and 23, 1984, Jim Wheeler and I, as ATA representatives, attended the mid-year AAA Council Meetings. In addition to the council meetings, I represented the ATA in two other meetings. First, due to my membership on the AAA Council, I had been elected to serve one term on the AAA Nominating Committee. This committee conducted its business prior to the council meeting. Second, AAA Vice-President Ray Sommerfeld met with an ad hoc committee consisting of all AAA section representatives. This meeting was also convened prior to the start of the council meeting. I feel that ample opportunity was given at all of these meetings to express our ideas and concerns as they uniquely affect the ATA.

I wish to report that the council discussed a AAA dues increase. At the annual AAA Business Meeting in Toronto, the AAA Executive Committee will recommend that the membership approve an increase from \$25 to \$45. This new amount is exclusive of any section dues. Before the council voted to support the recommendation of the executive committee to increase the dues, we spent a considerable amount of time discussing the need for such an increase. In addition, we carefully examined the proposed budget for 1984/85, as presented by President-Elect Doyle Williams.

During the debate concerning the dues increase, a number of council members introduced a proposal which would have deleted the *ACCOUNTING REVIEW* from the present dues structure and would have allowed members the option to purchase the AR for an additional charge. This recommendation was motivated by the belief that annual dues are currently used to support a journal which few members read. However, the proposed 1984/85 budget indicates that the **AR will be self-supporting**. Only funds generated from advertising and from institutional subscription sales will be used to publish the AR. Furthermore, if the AR were to become an optional item, circulation could possibly decrease and, thus, advertising revenues would suffer considerably. Consequently, an optional system may in fact **require** subsidizing the journal. Thus, I want to assure you that in my opinion the dues increase is reasonable and necessary. Despite significant inflation, the AAA has not opted for a dues increase in over a decade. I am also convinced that the proposed budget based on the dues increase contains no fat and is necessary to maintain existing programs.

The ATA remains the second largest section in the AAA with 1,233 members (the Auditing Section has 1,541 members). Considerable concern was expressed at the council meeting that section membership might decline as a result of the dues increase. However, I believe that the ATA will remain a viable section of the AAA despite the dues increase. Our dues, including the ATA portion, definitely remain a bargain, especially when compared to other professional organizations. Currently, the ATA dues are \$12.50. I shall recommend to the Board of Trustees an increase of \$2.50, so that the combined annual dues for the AAA and the ATA will be \$60. This proposal, if passed by the Board of Trustees, will be presented for a vote by the membership at our annual ATA business meeting in Toronto. If you have additional items which you feel should be discussed at our business meeting, please write me or call me at (801) 378-3100.

G. Fred Streuling

ATA COMPUTER COMMITTEE CONFERENCE IN TORONTO

The 1983-84 ATA Committee on Computer Usage in Tax Education and Practice has announced the schedule for its conference, scheduled for Wednesday, August 15, 1984, in Toronto. Attendees can register for a beginner's program, or for an intermediate program, depending upon their prior experience with microcomputers. To register for the conference, use the AAA's master registration form, or contact the Committee's chairman, William A. Raabe, University of Wisconsin-Milwaukee, at (414) 963-5843.

Luncheon Speaker — Donald C. Cook, President, Aardvark/McGraw Hill Software, "*Horizons in Software for Tax Education and Practice*"

BEGINNER'S PROGRAM

- 9:00-10:30 Introduction to Microcomputers
- 10:45-12:15 Introduction to Spreadsheets
- 1:30- 3:00 Introduction to Tax Software: MicroTax, Professional Tax Plan, Estate Tax Plan
- 3:00-Close Free Machine Time

INTERMEDIATE PROGRAM

- 9:00-10:30 Advanced Spreadsheet Applications: Alternative Minimum Tax, Income Averaging, Classroom Applications
- 10:45-12:15 Introduction to Tax Software: MicroTax, Professional Tax Plan, Estate Tax Plan
- 1:30- 3:00 Advanced Spreadsheet Applications: Real Estate, Cost Recovery
- 3:00-Close Free Machine Time

PAPERS REQUESTED

The J. M. Tull School of Accounting at the University of Georgia publishes the *Georgia Journal of Accounting* each spring. Each issue concentrates on (but is not necessarily limited to) a theme of critical importance to the practicing profession of accounting, including the areas of governmental, industrial, and public accounting.

The theme of the 1985 edition of the *Georgia Journal of Accounting* is "Tax Shelters." Articles consistent with this theme, and other articles of general in-

terest to the practicing profession, up to 7,000 words in length, may be submitted prior to November 1, 1984 for review and possible publication to:

Professor John B. Barrack
1984-85 Editor
J.M. Tull School of Accounting
College of Business Administration
University of Georgia
Athens, Georgia 30602

All articles received in response to this call will be refereed by academics and professionals other than University of Georgia faculty.

ANNOUNCEMENT

The 1983-84 AAA Federal Tax Committee Report on "*Indexing the Tax Law To Adjust for Inflation*" will be distributed to individual ATA members (about 50 copies) at the ATA Business Meeting in Toronto. AAA and ATA members who do not receive a copy at the Toronto meeting may obtain a copy of the report by sending a written request to Dr. Lawrence C. Phillips, Area of Accounting, Texas Tech University, Lubbock, Texas 79409.

NINE TAX RESEARCH GRANTS AWARDED TO ANALYZE IMPACT TAX LAW CHANGES WILL HAVE ON ECONOMY

Two simulation models which would enable the private business sector to estimate the economic impact of tax law changes and to predict taxpayer compliance to those changes, have been approved for funding by the Arthur Young Foundation.

A total of nine projects totaling \$151,000 has been approved by Directors of the Arthur Young Foundation as part of the first phase of a \$1 million tax research grant program. The academic research program is designed to make the tax system generally more responsive to U.S. economic needs by identifying and analyzing tax laws which could stimulate economic activity as against those which clearly act as depressants. The program is funded jointly by the Arthur Young Foundation and the Ralph E. Kent Fund, which was established in recognition of an esteemed former senior partner of the firm.

Among the grant recipients are Professors Karin M. Renfer of the University of North Carolina and John R. Robinson, of the University of Kansas, for their proposal to develop an alternative tax expenditure model. The model is designed to enable the private sector to estimate the impact recommended tax law changes would have on the economy.

In announcing the awards, Al Mitchell, Director of the Arthur Young Tax Research Program, said that government agencies currently have such models but that, "historically, they have proven to be tremendously inaccurate."

A grant was also awarded to Professors Silvia Madeo, Albert Schepanski and Wilfred Uecker, of the University of Iowa, for the development of a model to predict actual taxpayer compliance.

The model will be based on data provided by the IRS and from a survey of CPA tax professionals.

"The biggest problem in the whole tax system today is in the area of compliance," said Mitchell. Recent IRS estimates indicate that nearly \$100 billion a year is lost through taxpayer non-compliance.

"With this model, Congress would be better able to anticipate the compliance rate of proposed changes in the tax law," said Mitchell.

Other award winners are:

D. Larry Crumbley & Casper Wiggins & Nicholas Apostolou — *Texas A&M University* — To identify and measure the various marriage bias provisions in the law, to identify tax policy alternatives and to measure their revenue impact.

Mark A. Wolfson & Myron S. Scholes — *Stanford University* — To study the interaction of tax and incentive considerations in the compensation of executives in emerging companies.

Joseph E. Gibson & David M. Maloney & David W. LaRue — *University of Virginia* — To identify the strengths and weaknesses of our current system of taxing acquisitions and mergers and of the various reform proposals and to formulate recommendations.

Grant M. Clowery — *University of Michigan* — To analyze the statistical properties of the panel of returns in the Arthur Young Data Base for 1979 and 1980.

Jon W. Bartley & N. LaVar Harline — *University of Utah* — To determine the actual portion of the federal income tax burden borne by various income levels, to investigate the relationship of selected deductions and credits with income level and to develop a model for use in alternative minimum tax planning.

Edmund Outsley — *Michigan State University* — To examine the effects of the 1983 amendments on individual equity, to analyze the disparity of treatment between families of different wage earner compositions, to examine proposed alternative plans and to propose recommendations for change in the Social Security program.

Darryl L. Craig & Charles R. Enis — *Pennsylvania State University* — To evaluate four alternative flat tax proposals according to the manner in which they would distribute the total federal income tax burden.

The second submission period of the Arthur Young Foundation's Tax Research Grant Program closed on June 30, 1984 and the next announcement of awards will be made by the end of September, 1984.

CALL FOR PAPERS

Members of the Taxation (ATA) Section are invited to submit a paper for presentation at the 1985 Midwest Regional Meeting of the American Accounting Association to be held in Chicago, Illinois, March 27-29, 1985. Papers may address any topic area of accounting. The program is expected to include one or more sessions dealing with topics of interest to the Taxation (ATA) Section.

Completed papers are preferred, however, abstracts also will be considered. An original and three copies of the paper or abstract must be submitted by September 30, 1984. Authors will be notified of acceptance by November 30, 1984. Papers or abstracts, at the option of the author, may be published in the Proceedings. Papers should be single spaced and not longer than ten pages including references (abstracts - minimum of two pages), and should follow guidelines of *The Accounting Review* in matters of style.

A copy of the formal "Call for Papers" which describes more detailed guidelines will be sent on request. Papers and abstracts should be submitted to:

Valdean C. Lembke
Department of Accounting
College of Business Administration
University of Iowa
Iowa City, IA 52242

FACULTY TAX PLANNING

Course Objectives

This seminar develops general concepts about a faculty member's compensation alternatives and then analyzes several tax articles for the purpose of relating the specific alternatives to the general concepts. Emphasis is placed upon tax-sheltered annuities, deferred compensation, individual retirement accounts, Keogh plans, lump-sum distributions, and incentive stock options. Tax planning, proper elections, appropriate forms, and retirement alternatives shall be covered. Sheltering of a faculty member's outside income shall be discussed.

Specific Questions Addressed

1. Is a tax-sheltered annuity or deferred compensation the best retirement alternative?
2. Can I establish a Keogh plan and IRA for my outside income?
3. Should I elect to receive a lump-sum distribution from my retirement plan?
4. Should I incorporate my outside income?
5. How do I handle a teaching or research award?

Instructors

D. Larry Crumbley
Texas A&M University

James R. Hazzelback
Florida State University

Date: August 1984

Tuition Fee: \$90

Enrollment Limit: 50

Deadline for Enrollment: July 27, 1984

Place: Toronto AAA Meeting

1984-85 ATA COMMITTEE PARTICIPATION

Anyone interested in serving on an ATA committee during 1984-85 should communicate this interest to:

Professor Jim Boyd
Department of Accounting
College of Business
Arizona State University
Tempe, Arizona 85287

Please include a vitae and indicate the type of committee on which you would prefer to serve. All information should be submitted by July 27, 1984.

AMERICAN TAXATION ASSOCIATION

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