



American Taxation Association

Volume 25, Summer 1990

Barry Arlinghaus, Editor

PRESIDENT'S LETTER

My year as president is quickly passing. About the time I learned the names of the ATA office staff and chauffeur, I must return to typing my own letters and arranging my transportation. But now is the time to reflect upon the nearly completed ATA year.

The organizational activities were actually completed before the year began. Many of the committees met in Hawaii and began their planning, but not much happened in the fall. The exception to this pattern was the Midyear Meeting Committee, which was responsible for the February gathering.

The midyear meeting in Atlanta should be a source of pride for all participants. Everything clicked: excellent speakers presented fascinating topics (tax research methodologies and teaching issues) in superb facilities. Anna Fowler and her mid-year committee did an outstanding job of planning and coordinating the meeting and the Peat Marwick Foundation (through the efforts of Greg Frazier) generously provided financial support.

Many of the speakers at the mid-year meeting were members of the Research Methodologies Committee. This committee, chaired by Charles Enis, is completing a self-study guide to tax research methodologies. The publication will be made available to all ATA members. I expect this guide, along with the midyear activities, to ultimately cause a noticeable increase in the number of submissions to *The Journal of the American Taxation Association*.

Another great source of pride for the ATA can be found in a recent article, Hull and Wright "Faculty Perceptions of Journal Quality: An Update," 4 *Accounting Horizons* 77. The article reported that accounting faculty members ranked *The Journal of the American Taxation Association*



Eugene Seago, ATA President

eight among accounting, finance and tax journals. Credit for the journal's success must go to our former editors—Silvia Madeo, Jane Burns, Jack Kramer and Fred Streuling—who set the high standards for the *Journal*.

Other 1989-90 ATA committees have made significant contributions to the discipline of taxation and the ATA.

- Karen Fortin and her AAA Regional Programs Committee made a valiant effort at getting more tax panels and papers at the regional meeting; however, the committee's results were mixed. According to Karen, ATA members must develop one-to-one relationships with the chairpersons from the various regions, if the needs of ATA members are to be served at these meetings.
- The AICPA 150 Hours Requirement group, chaired by Ed Milam, kept close tabs on the effects of changes in the states' laws on graduate tax programs.
- The Computer Usage Committee, chaired by Bob Michaelson and Jerrold Stern, is reaching new frontiers in computer assisted teaching.

- The Tax Policy Oversight Subcommittees and the State Tax Committee spent most of the year establishing a framework for future activities.
- The Committee on Relations With the IRS and Treasury, chaired by David LaRue, has developed a plan for matching research by ATA members with the interested government officials.
- Fran Ayers, Stu Karlinsky and Tom Porcano and their committees diligently pursued their tasks of selecting research award recipients.
- The Task Force on Complexity Reduction is well on its way to developing recommendations that will be submitted to the House Ways and Means Committee.
- Thanks to the Membership Committee, chaired by Shirley Dennis-Escoffier, ATA membership has increased from 1171 as of September 1, 1989 to 1281 as of the latest count.

The final events for 1989-90 and the beginning of the 1990-91 year will take place in Toronto, where Ken Heller will assume office. I hope to see you there.

In conclusion, while the changes in tax education and practice may appear ominous, the future of the ATA has never looked brighter. This is true because the organization is based on an infallible formula: a well-defined group of competent and self-motivated individuals with common interests. With the kind of participation I received from the ATA members during my tenure as president, change will merely present new opportunities to accomplish collective goals. As for my future, I plan to remain active in the ATA and, maybe, take-up whittling.

ANNUAL MEETING - SEE YOU IN TORONTO

The American Taxation Association Section will have the following schedule of events at the Annual Meeting in Toronto:

Thursday, August 9, 1990

- 10:15 a.m. - 11:45 a.m. ATA Business Meeting
12:00 noon - 2:00 p.m. ATA Luncheon, Tentative speaker, Fred T. Goldberg, Jr. Commissioner, Internal Revenue Service
- 2:15 p.m. - 3:45 p.m. Panel: "The Section 482 Transfer Pricing Rules"
Moderator: James Wheeler, University of Michigan
Panelists: Lorraine Eden, Carleton University
Barbara Rollinson, OTA
Jack Calderwood, Revenue Canada
Gerald Ball, Arthur Andersen & Co.
- 4:00 p.m. - 5:30 p.m. Papers: "Current Research on Tax Incidence"
Moderator: Cherie O'Neil, VA Tech
Presenters: Douglas Shackelford, University of Michigan, "The Shifting of Tax Benefits: Evidence from Leveraged ESOPs" (dissertation);
Amy Dunbar, University of Texas at San Antonio, "An Empirical Investigation of the Association of Productivity with ESOPs" (dissertation);
Alan Macnaughton, University of Waterloo, "Neutral Taxation of Fringe Benefits and Employees' Job-Related Expenditures."

Friday, August 10, 1990

- 10:15 a.m. - 11:45 a.m. Papers: "Current Research on Tax Incentives"
Moderator: S. E. C. Purvis, University of Southern California
Presenters: Robert Rolfe & Richard White, University of South Carolina, "The Influence of Tax Incentives in Determining the Location of Foreign Direct Investment in Developing Countries;"
James Manegold & Doug Joines, University of Southern California, "IRAs and Saving: An Empirical Analysis With Panel Data;"
Annette Hebble, University of Kentucky, & Janet Meade, University of Houston, "The Effect of Income and Consumption Tax Regimes on Individual Savings."
- 2:15 p.m. - 3:45 p.m. Papers: "Current Research in Taxpayer Compliance"
Moderator: Fran Ayres, University of Oklahoma
Presenters: Gordon Harwood, Ernest Larkins & Jorge Martinez-Vazquez, Georgia State University, "Paid Tax Preparers' Role in Noncompliance: Some Empirical Evidence;"
Peggy Hite, Indiana University & Michael Roberts, University of Alabama, "An Experimental Investigation of Taxpayer Judgments on Rate Structure in the Individual Income Tax System;"
David Ryan, Temple University, "An Experiment to Determine Whether Decision Contextual Factors Influence Tax Preparer Recommendations" (dissertation).

The panel for this year's annual meeting brings together a group of experts in the transfer pricing area. Dr. Eden and Mr. Calderwood will present the Canadian point of view, while Dr. Rollinson will discuss the Treasury Office point of view. Mr. Ball will discuss the implementation problems facing corporations, and Dr. Wheeler, in addition to acting as moderator, will offer some

MEET YOUR PRESIDENT FOR 1990-91



Kenneth Heller

Kenneth Heller, 1990-91 ATA President, is Professor of Accounting and Chair of the Department of Accounting at George Mason University. Ken has served the ATA in a variety of capacities, including Vice-President, Board of Trustees, and Associate Editor of *The Journal of the American Taxation Association*. An active member of several professional groups, he has also served on committees for the AAA, AICPA, and Georgia and Virginia Societies of CPAs and on editorial boards of *The Accounting Review* and *Journal of Accountancy*. Ken has published in many professional journals and is a co-author of *Partnership Taxation*. He holds a Ph.D. from the University of Texas at Austin and is a CPA in Texas and Virginia. Prior to his present position, he was a Professor of Accounting at the University of Georgia and held faculty residencies with Arthur Andersen and Ernst & Whinney.

insights on transfer pricing based upon his recent trip to Japan.

A total of nine papers will be presented during three research sessions. This represents an acceptance rate of 30 percent for tax papers. Before the ATA can be allocated more time slots at the annual meeting, there must be a significant increase in the number of paper submissions. All ATA members are urged to submit their research papers for consideration at next year's annual meeting in Nashville.

IRS SEEKS COMPLIANCE RESEARCH ARTICLES FOR 1991 CONFERENCE

R. L. Plate
Director, Research Division

In a previous issue of the ATA Newsletter, I announced the topic for the 1990 IRS Research Conference: *How Do We Affect Taxpayer Behavior? The Case for Positive Incentives, Assistance or Enforcement*. The conference will be held November 15-16, 1990 in the IRS Auditorium, 1111 Constitution Ave. N.W., Washington, D.C.

Several ATA members responded to the call for papers for this year's conference and are expected to present the results of their research.

1991 Conference

Now, I am announcing that the topic for the 1991 Research Conference will be "Closing the Small Business Tax Gap: Alternatives to Enforcement."

The target group we want to reach are people engaged in entrepreneurial activity, either full-time or part-time, who must make their own determination of income rather than simply accept the statement of their employer or a financial payor. These people need to keep good records and this process begins long before tax time. In fact, it begins with the first day of the business year. It may be this need to keep good records is one explanation for the fact that smaller businesses have among the lowest voluntary compliance rates.

The first day of the conference will be devoted to research to better understand and help these entrepreneurs.

Following is a description of the "entrepreneurs" that should be addressed in research papers submitted for the conference.

Self-Assessment System

The U.S. tax system operates on a voluntary self-assessment principle. This means that taxpayers are responsible for all three dimensions of tax compliance. They must 1) file a timely return; 2) file an accurate return; 3) pay their taxes as they go.

Wage Earners

For the majority of taxpayers, any interaction with the Internal Revenue

Service occurs when they file a return, unless they contacted the IRS for information or assistance. Records reflecting their income are determined for them by their employer and bank or other financial payor. Other than periodically changing a W-4, little action is required on their part to make periodic payments or to maintain contemporaneous records.

Entrepreneurs

There is another group of taxpayers, however, who are full-time or part-time entrepreneurs who must determine their income as it is earned and make tax payments during the year.

These entrepreneurs may be sole proprietors, or may own a small corporation or a partnership. They may have acquired record keeping obligations by virtue of being an executor or executrix of an estate or may have secondary income from sources other than wages, interest and dividends. Some may work out of their home or in someone else's home, providing such personal or professional services as housekeeping, child care, nursing or lessons. The common denominator is that they, rather than an employer or a bank, must determine their income for tax purposes.

Importance of Records

For those whose entire livelihood is from these entrepreneurial activities, good record keeping is essential for business and personal survival. These entrepreneurs, as a group, are the least compliant in each of the three dimensions of tax compliance.

Research Topics

Research papers should address some means other than enforcement so that entrepreneurs can accomplish the following:

1. Determine their income. Consider psychological and technical or knowledge barriers as well as opportunity which causes taxpayers not to report certain types of income, such as cash, secondary income not subject to withhold-

ing, income from friends for services, swapping services etc.

2. Separate and understand the difference between personal and business expenses.
3. Create and maintain adequate contemporaneous and long-term records.
4. Timely pay their taxes.
5. Understand and comply with their obligations as an employer to withhold and promptly deposit taxes withheld from their employees' wages and provide them with appropriate W-2 or other information returns.

ATA members who would like to attend the 1990 research conference or would like to submit a paper for the 1991 research conference should contact the conference coordinator, Joseph R. Weikel, Research Division P:R, Internal Revenue Service, Room 3113, 1111 Constitution Ave. N.W., Washington, D.C. 20224, or he may be contacted by telephone at 202-233-1245.

MID-YEAR MEETING HELD IN ATLANTA

Anna C. Fowler

On Friday, February 16 through Sunday, February 18 the second annual mid-year meeting took place. This year's headquarters for the event was the Marriott Marquis Hotel in Atlanta, Georgia. Approximately 145 persons from at least 37 states, plus the District of Columbia, attended.

On Saturday concurrent sessions addressed research and teaching matters. At Sunday's morning session five doctoral students presented four research papers, three sole authored and one co-authored. The KPMG Foundation provided financial assistance for the research sessions.

Members of the Mid-Year Meeting Committee were: Charles Calhoun, Gordon Harwood, Sandra Kramer, Doug Laufer, Valerie Milliron, Al Mitchell, Donald Seat, Dale Spradling, Dave Stewart, and Anna Fowler (Chairperson).

RELATIONS WITH IRS AND TREASURY

David LaRue

Chair of Committee on Relations with IRS and Treasury

The Relations with the IRS and Treasury Committee announces a new program designed to facilitate and encourage greater utilization of the individual products of the scholarly research efforts—and of the special expertise, insight, and experience—of ATA members by policymakers in the legislative, administrative, and judicial branches of the federal government. In brief, the Committee invites ATA members to submit abstracts of their policy-oriented tax research for publication and distribution to legislative and administrative policymakers, their professional staffs, and to other interested parties. Collections of abstracts will be indexed and published bi-annually, with the first issue scheduled for release in early October. The possibility of establishing and maintaining a separate computerized database composed of this collection of abstracts—accessible through Lexis, Westlaw, PHiNet, American Bar Association Databases, Scorpio (Library of Congress)—is also being explored.

Background

In recent years, several ATA members have responded to opportunities to share the results of their published research, their opinions, and their special insights on tax policy issues through the presentation of written and/or oral testimony before the tax-writing committees of Congress, through informal and formal requests for advice on regulation and rulings projects and other tax-policy initiatives of the Treasury Department and IRS, and through expert testimony in tax litigation.

From interviews conducted last Fall with several congressional committee staffers and a number of IRS National Office Officials, it is reasonably clear that opportunities for this level of involvement are only infrequently the result of literature reviews initiated by policymakers and their staffs in their efforts to identify and evaluate the work of researchers relevant to an area under legislative or administrative review. No matter how significant the findings and

implications of published research might be—and no matter how prestigious the journal in which they are published—there is at present no systematic process routinely undertaken which will guarantee that these findings and implications will ever, of their own accord, come to the attention of persons in a position to act on them.

The program initiated by this Committee is designed to provide an effective and workable approach to assisting interested members in seeing their ideas and research efforts actually exerting some measure of influence on the development and evolution of a tax system that seems to be so very much in need of the thoughtful, competent, and detached analyses that so many ATA members are willing and able to bring to bear on important issues. This program consists of three components:

1. As noted above, ATA members are invited to submit abstracts of their tax-policy-oriented research for publication and distribution to legislative and administrative policymakers, their professional staffs, and to other interested parties. Collections of abstracts will be indexed and published bi-annually, with the first issue scheduled for release in early October.

The purpose of this publication is not, of course, to promote any individual ATA member's research as an official ATA position, and a statement to this effect will be included in the preamble to the newsletter.

2. An attempt will be made to identify those congressmen, congressional staff members, personnel in the Treasury Department, IRS National Office, AICPA and ABA Federal Tax Committee chairpersons, etc. who have a specific interest in [and/or responsibilities pertaining directly to] the topics addressed in such research. A copy of the abstract, together with the entire article or manuscript [but not dissertations] will be sent to such individuals, under a cover letter which [1] briefly describes

the ATA and its purposes, [2] summarizes the principal findings and conclusions of the research, and [3] identifies the reasons why the research might be of particular interest to the addressee. This cover letter will likewise include a statement that such research does not necessarily reflect any position that the ATA might have on the subject.

3. Members of a subcommittee will be charged with the responsibility of systematically monitoring legislative and administrative hearing announcements and promptly alerting the authors of published abstracts of such developments which might relate to their research.

Press releases announcing House and Senate hearings pertaining to tax and budgetary issues are usually released only three to six weeks in advance of the scheduled hearings (and only one to two weeks of the deadline for requests to present oral testimony). Given the extremely short lead times involved, timing is critical where ATA members wish to respond to opportunities to prepare and submit oral and/or written testimony at these hearings.

These announcements are mailed [at no charge] to anyone who requests this information. To place your name on the mailing list call or write:

Committee on Ways and Means
U.S. House of Representatives
1102 Longworth HOB
Washington, DC 20515-6348
Attn: Tricia
(202) 225-3625

Committee on Finance
U.S. Senate
SD-205
Washington, DC 20510-6200
Attn: Mark Blair
(202) 224-4515

One of the ultimate objectives of most policy-oriented tax research is to bring the conclusions, insights,

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A GUIDE TO CURRENT RESEARCH METHODOLOGIES IN TAXATION

Charles R. Enis
Chair of Committee on Research Methodology

The ATA Committee on Research Methodology has as its charge the development of a self-study program in basic tax research methodologies for teachers of tax accounting. The first event related to this charge occurred in Atlanta during the Mid-year ATA meeting. Four research tutorials were presented twice. I received excellent feedback on these sessions. Thus, I am very optimistic regarding the committee's main event because three of the four tutorial presenters are again contributors. The final product of this endeavor will be a publication on current research methodologies in tax accounting authored by the ATA committee.

Bob Halperin is writing a chapter on analytical modeling, Betty Jackson and Jon Davis are doing a segment on behavioral research, Ron Copeland is in charge of experimental economics, Jim Parker and Susan Long put together a very thorough and readable piece on statistical techniques, Tom Omer and Wayne Shaw are contributing a section on the application of various capital markets paradigms to tax issues, Bob Crum has crafted an informative essay that opens the door to panel data research, and I am writing a primer on the use of the Statistics of Income Individual Tax Model Files.

The target readership for our tutorial are full-time faculty that teach tax accounting at the collegiate level who wish to begin some involvement in empirical research or to expand/update their awareness of methodologies used in tax research. Many tax accounting faculty have never received rigorous training in econometrics, statistics, experimental design, and other empirical research skills. Such a background is typical of those who obtained their university positions via the law school route, professional practice or accounting doctoral programs that did not emphasize empirical research for those candidates with a concentration in taxation.

A sound publication record in top quality professional journals in tandem with teaching and service excellence was at one time sufficient for tax accounting faculty to achieve ad-

vancement at many universities. However, as of approximately five years ago, sophisticated research training has been mandated for virtually all accounting doctoral students. Also, publication in quality academic research journals has been a requirement for promotion and tenure for all accounting faculty at most universities. This trend is accelerating with time.

The shift in emphasis from professional to academic publications has resulted in some tax faculty being evaluated under the current standard while their background is geared toward the former standard. The Committee's publication offers a first step for tax people who wish to shift gears and develop a research program directed towards publications in refereed academic journals.

Our booklet is not intended by itself to make an expert of anyone. Its purpose is to provide an awareness of the research in vogue in taxation and to suggest avenues whereby readers can obtain additional knowledge on those methodologies that stimulate their interest.

Tax faculty that have a strong practitioner/professional orientation have the advantage of being able to identify important research issues. The publication will be helpful in selecting those research methodologies that are appropriate for a given issue. Armed with an important issue and a relevant methodology, the investigator is in a position to seek out a coinvestigator that is an expert in the selected methodology. This expert may be someone with little knowledge of taxation. The teaming of tax law specialist with research guru has produced significant contributions to the academic literature in tax accounting.

Our research methods booklet will also be of value to those who do not intend to start an empirical research program of their own. The contents offer a broad overview of methodologies as to enable nonresearchers to better understand and appreciate papers presented at various conferences. Our work should also help practitioners on accounting faculties to communicate with visiting schol-

STATUS REPORT OF THE ATA COMMITTEE ON COMPUTER USAGE

Jerrold J. Stern
**Co-chair Committee on
Computer Usage**

Several members of the committee have been involved with experimental use of computer software in the tax classroom. Bob Michaelsen (co-chair) is currently adapting his gift planning expert system for testing in the classroom. Bob Black's Section 318 constructive stock ownership expert system is currently being classroom tested by Virginia Bean. Jerry Stern (co-chair) developed and class-tested an expert system for filing status selection for individual taxpayers. Vance Grange is in the process of preparing expert system and tutorial software regarding personal and dependency exemptions.

Tonya Flesher, Sam Hicks, Nathan Oestreich and Jerry Stern are in the process of gathering information concerning how the IRS and CPA firms are using computer assisted instruction in their training programs. A telephone survey is being conducted to gather information. Our hope is to identify software which may be made available for university use.

Roland Lipka and Ted Degnan have prepared a preliminary list of 32 tax topics which appear well-suited to computer assisted instruction. Jerry Stern and Bob Michaelsen will be working with them to finalize this list.

Don Marshall is continuing his work in the area of electronic communications by ATA members. He has updated his detailed proposal on one particular system and is continuing to investigate the feasibility of that system for general ATA usage.

ars, colleagues active in research, and prospective faculty members fresh out of doctoral programs.

Even the accomplished researcher should find the publication interesting in that it will cover the basics of methodologies that may lie outside of his/her speciality. Such knowledge is handy when serving on various graduate committees. To sum up, the objective of our committee is to promote better research and communication throughout the ATA.

AICPA 150 HOURS REQUIREMENT

Edward E. Milam

Chair of the Committee on 150 Hours Requirement

In order to address our charge, the Committee met during the AAA annual meeting in Hawaii. At that time, it was determined that the best approach to our assignment would be to review the AICPA's recommendations found in *Education Requirements for Entry Into the Accounting Profession*, and the 150-hour requirements of the eight states that have already adopted such legislation. These states are Tennessee, Florida, Texas, Alabama, West Virginia, Utah, Hawaii, and Montana.

Findings

The legislation of the eight states listed above varies but some generalities can be stated. First, most states are going to require 150 semester hours to sit for the CPA examination. Many state legislatures are going to allow the state boards to specify the particular courses, if any, that are going to be required. Most states, either by legislature or State Board rule, will require a baccalaureate degree with the equivalent of an accounting concentration. It appears that many of the states will require at least 30 semester hours of accounting beyond the principles level and some states will require six hours of tax (Florida) as well as other specific courses. However, it is quite apparent that most states will not require a graduate degree or even graduate courses as part of their law and/or regulations.

The AICPA's recommendations are found in its document entitled *Education Requirements for Entry Into the Accounting Profession*. This document states that at least 150 semester hours of college study are needed to obtain the common body of knowledge for CPAs. The AICPA's recommended program for this 150 hours includes 60-80 hours of general education, 35-40 hours of education in business administration, and 25-40 hours in accounting. The AICPA's recommendations, with regard to tax education within this 150-hour requirement, are expressed as a coverage of tax theory and tax problems.

In addition to the above policy, an AICPA Committee, "The 150-Hour Education Requirement Committee," is working on a model bill which will

be made available to state legislators. The proposed model bill would require candidates for the CPA examination to have completed 150 semester hours, including a baccalaureate degree with a concentration in accounting or business administration from a regularly accredited college or university. Local State Boards of Public Accountancy would determine by rule what constitutes an accounting concentration. If adopted, this proposal would allow educational institutions the opportunity to develop their own programs and it appears that a variety of curricula would meet this requirement.

CONCLUSION

The spirit of the AICPA's position taken in *Education Requirements for Entry Into the Accounting Profession* is that the educational background should be broad in scope and general in nature. In addition, it recommends that the study of accounting should be broader and more conceptually oriented. Indeed, the AICPA requirements specifically state that expert knowledge is not the objective but rather "an understanding of the reasons behind the various provisions and the impact of their interrelationships."

Most masters programs in accounting (tax) have traditionally focused on providing more technical knowledge and thus do not incorporate the spirit of the new AICPA requirements. However, graduate tax education is ahead of the other accounting areas. For several years, many of the activities that are now being encouraged by the profession have been incorporated into graduate tax courses. These activities include developing research skills, writing papers and file memos, making presentations and engaging in group projects.

If most institutions adopt the spirit of the AICPA requirements and limit the number of semester hours in accounting to a maximum of 40, master of tax programs cannot succeed within the 150-hour framework. When you consider a maximum of 46 hours (AICPA's 40 + 6 of principles) in conjunction with the fact that many states will specify certain

accounting courses including financial, cost/managerial, systems, and auditing as part of the accounting concentration, very few hours will be available for specialization.

In fact, if schools adopted the AICPA's range (25-40 semester hours) of accounting, the following conclusions may be drawn:

1. A program adopting the 25-hour minimum would provide less coursework in accounting than that presently required in most accredited undergraduate accounting programs.
2. A program adopting the 40-hour maximum would provide little opportunity for specialization in any area of accounting. Such a program would probably more closely resemble a present-day MBA program rather than a Master of Accountancy program and definitely would not resemble a present-day Master of Taxation program.

Although not so stated in *Education Requirements for Entry Into the Accounting Profession*, it appears that the AICPA actually has two objectives. First, they would like for accounting programs to produce better educated graduates. "Better" is defined in terms of educational breadth rather than additional depth in accounting. This objective is very much in accord with *Education Requirements*. However, an equally important objective is to expand the concept of accounting as a true profession by, in effect, requiring a graduate degree as do other professions.

Emphasizing the first objective would lead one to conclude that serious graduate education in taxation could not be achieved within a 150-hour curriculum. However, emphasizing the second objective would lead to the opposite conclusion.

Although neither the AICPA requirement nor the various state laws require graduate coursework much less a graduate degree, most believe that the 150-hour requirement will, nevertheless, increase the demand for graduate level coursework and graduate degrees because students tend to value masters degrees.

With regard to non-tax accounting students, the 150-hour require-

(Continued next page)

IRS MAKES TCMP DATA AVAILABLE

The Research Division of the IRS announced in the last issue of the *ATA Newsletter* that it was making TCMP data available on a competitive basis. Due to the significant interest shown by researchers in academia, a second round of proposals is now being accepted.

Since the early 1980s, the Internal Revenue Service has actively encouraged tax compliance research. However, to protect taxpayer confidentiality and audit selection formulae, the IRS has been unable to release microdata on tax examinations to outside researchers.

Limited IRS staff and computer resources will be made available for tax research involving TCMP databases. These databases contain the results of intensive audits of probability samples of individual and corporate tax returns. The information recorded on these data sets includes both the taxpayer-reported and examination-determined levels of tax items on returns. This program is among those recommended by the

National Research Council in *Taxpayer Compliance, Volume 1, An Agenda for Research*.

Proposals will be accepted on a competitive basis. The proposals may address a wide range of areas within tax administration and tax policy, such as: The relationship between tax complexity and tax compliance; The influence of tax legislation on tax reporting behavior; The effect of IRS programs on tax compliance; and The nature and dimensions of tax compliance.

Proposals will be judged by their quality, their potential contribution to the IRS and the research community, and the level of IRS resources required by the project. Under no circumstances will a proposal be approved if it is judged by the IRS to have the potential to compromise either individual taxpayer identities or IRS audit selection criteria.

To the extent possible, model development and any necessary computer programming will be the responsibility of the researcher. How-

ever, IRS staff will perform the actual data analysis. Microdata will not be released. Researchers will not be compensated by the IRS for their own time or any expenses related to this project. Prior to submitting a proposal, interested researchers must request an informational packet by writing to:

IRS Research Division P:R
Attn: Compliance Research
Coordinator
Internal Revenue Service
1111 Constitution Ave. N.W.
Room 301
Washington, DC 20224

The deadline for proposals is October 1, 1990. The informational packet will describe the features of the TCMP databases as well as guidelines for submission and review of research proposals.

NEWS NOTE

Kevin Stanton Barrett, a doctoral candidate at Virginia Polytechnic Institute & State University, Blacksburg, VA, has been selected as an Indiana University Fellow in Nonprofit Governance for the 1990-91 academic year. The fellowship pays a 12 month stipend and includes reimbursement of travel expenses to attend two research seminars at Indiana University's Center for Governance of Nonprofit Organizations. As a fellow, Mr. Barrett will complete his dissertation entitled "Charitable Giving and Federal Income Tax Policy: Additional Evidence from a Panel of Taxpayers," chaired by Cherie J. O'Neil.

AICPA (Continued)

ment will likely increase the demand for Tax 2 courses (Taxation of Corporations, Partnerships, Estates, and Trusts). The AICPA policy specifically states that students should be able to solve tax problems as they relate to individuals, as well as all of the entities typically studied in a Tax 2 course. Also, the states that are enumerating specific accounting courses (Florida and Tennessee) both require at least six semester hours of study in taxation for all students.

Although the profession has a strong demand for students with tax expertise, and tax practitioners are going to encourage tax education, especially since they have to wait another year to hire them, there are at least two major reasons why graduate education in tax may not increase. First, as other areas develop better graduate courses, students will be attracted to those areas, and faculty members in those areas may be more insistent on having graduate students take a diverse menu of graduate accounting courses, thus leaving less time for students to specialize in tax. Frankly, tax education can withstand the competition although some tax

professors, those who constitute a small percentage of their school's accounting faculty, may lose the political battle. Those tax professors need to be moving now to get tax courses developed and established before the other areas develop.

Secondly, the emphasis (or possibly rhetoric) today is on a broad based approach to accounting education. An anti-specialization movement is likely to emerge. The AICPA's recommended program is consistent with the broad approach. The message is to take more general education and business courses.

RECOMMENDATIONS

Since it appears that an additional 12 to 16 states will pass 150-hour educational requirement legislation within the next two years and various other forces are at work (i.e., The Accounting Education Change Commission), the committee recommends that the ATA Board of Directors continue to monitor these activities. It is quite apparent that the recommendations and actions of any of these groups could significantly impact upon tax education.

ATA NEWSLETTER DEADLINES

The deadlines for submitting information to the ATA Newsletter are as follows: Fall 1990 Issue - September 24, 1990 and Spring 1991 Issue - January 6, 1991.

Please send information to:
Barry P. Arlinghaus
317 Laws Hall
School of Business
Miami University
Oxford, Ohio 45056
Phone: 513-529-6216

Relations with IRS

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and possibilities gained through these efforts to the attention of those who are in a position to be influenced by and to act upon them. This program should minimize the incremental amount of time and effort required to do so. We welcome your comments and suggestions as we refine and implement this new program.

Information for authors:

Members interested in participating in this program should submit:

1. A synopsis of the manuscript. The primary criterion for publication of an abstract is that it should

include substantive prescriptions for tax policy. Abstracts should be 400 to 500 words in length, should be nonmathematical and include a readable summary of the research question, method, significance of the findings or conclusions and contribution. The style should be objective, without personal pronouns. The abstract should be followed by four key words that will assist in indexing the paper.

2. Ten "clean" copies of the published article or working paper printed or reproduced on good quality paper. [Copies of dissertations should not accompany the abstract.]

3. Name, title, institution, and business mailing address and phone number of the author. [This information will be published following the abstract.]

Submission for the first issue should be sent to:

David W. LaRue
McIntire School of Commerce
University of Virginia
Charlottesville, VA 22903
(804) 924-3235

Deadline for submission, September 10, 1990

American Taxation Association

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