

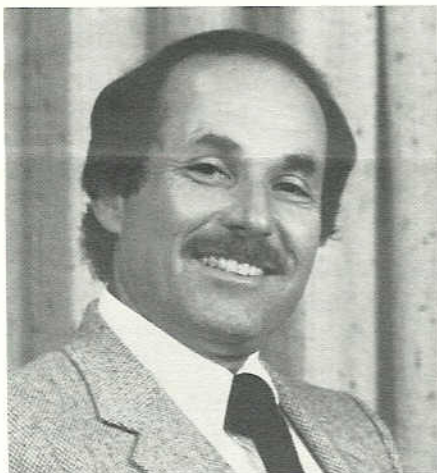
AMERICAN TAXATION ASSOCIATION

Volume 19, Summer 1988

Robert L. Gardner, Editor
School of Accountancy
Brigham Young University

President's Letter Summer 1988

by Michael L. Moore



My term as president is quickly drawing to a close and this seems to be the appropriate time to reflect on the accomplishments during this period and to give thanks to the members, who through their hard work, made my year considerably easier. Our goal for the year was to build our organization's outside reputation by promoting research activities involving tax policy and to strengthen the organization from within by building a broader based organization through increased membership. Increased membership gives us the financial strength to fund educational activities of benefit to our members. We have made modest gains in these areas.

Our two committees on tax policy have each prepared reports. I reported in the last newsletter the completion and submission of the report by The Committee on Subchapter K, chaired by Ken Heller. The Committee on Income Measurement, chaired by Gene Seago is completing a report "The Business Bad Debt Deduction: A Time Value of Money Approach," which is to be sent to Treasury and the Joint Committee on Taxation this summer. I hope the success of these committees this year will lay a foundation for increased future involvement in the tax policy area by ATA.

The Committee on Regional Programs and Membership, chaired by Carolyn Strobel, has also had a busy year. We increased our membership from 1,160 on August 1, 1987 to 1,253 on June 1, 1988, a great part attributed to their efforts in promoting membership activities at AAA regional meetings and by direct mail contact with tax educators who are not ATA members. It appears that the seeds have been planted for further increases in the future. This committee was assisted by trustee John Everett, who developed an excellent promotional package which was available at most of the AAA regional meetings.

Our financial condition is good, not only from increased membership, but other ATA sponsored activities. Please note that a copy of our Financial Report for the 10 months ending on May 31, 1988 is in this newsletter. The ATA Computer Conference and the IRS Tour in Cincinnati raised \$1,100. Barry Brodedn deserves special thanks for his efforts in organizing these activities. The sales of *Tax Planning for Educators* have been steady. John Everett headed this project. Most of you have received your copy of *Publication Opportunities for Tax Researchers*, Revised Edition. Again we wish to thank Arthur Young for their financial support for this project. Ernst & Whinney deserves special thanks for agreeing to fund an annual tax manuscript award for masters and Ph.D. students. Price Waterhouse is continuing their support through the ATA/Price Waterhouse Doctoral Dissertation Award and we thank them.

We look forward to an excellent ATA sponsored program in Orlando. We will begin our program with the ATA Section Business Meeting on Monday, August 15, 10:15 a.m.—11:45 a.m., followed by the ATA luncheon. The Annual Program Committee, chaired by Sandra Kramer, has arranged for Dr. Norman Ture, president of the Institute for Research on the Economics of Taxation to speak at the luncheon. Last year the luncheon was sold out, so tickets should be purchased early. The Annual Program Committee did

an excellent job in arranging a number of tax sessions on the annual meeting program.

Special thanks are also in order for the fine work done by the other committees. We have provided a list of committees and their members in this newsletter. Reports from these committees will be available at the our business meeting in Orlando. To Ken Heller, Vice President, William Kulrud, Secretary-Treasurer, D. Larry Crumbley, ATA historian, all of the trustees, Robert L. Gardner, Newsletter Editor and especially to Silvia Madeo for her editorial work for JATA, special thanks. Again, I thank all of you for the work you have done in what I regard as a successful year. It is not without some regrets that my term is closing. I have enjoyed working with such a supportive group. The leadership of a solid organization will be passing into the capable hands of Jane Burns. If she receives continuing support at the level I received, the future of ATA will indeed be bright.

Faculty Notes

The following Faculty has accepted new academic positions for the 1988-89 year:

Bruce Busta

Old School: Univ. of Nebraska—Lincoln

New School: St. Cloud State

EDITOR'S NOTE: If you have moved or know of anyone who has, please send that information to the editor so that it can be included:

Bob Gardner
School of Accountancy
Brigham Young University
Provo, Utah 84602

ATA SECTION FINANCIAL REPORT SEPTEMBER 1, 1987 TO MAY 31, 1988

Balance, September 1, 1987		\$24,157.55
Revenues		
Membership Dues	\$11,939.00	
Membership Dues (Deferred Income)	210.00	
Education Course	1,027.07	
Publication Sales	4,973.50	
Advertising	3,075.00	
Miscellaneous	884.60	
	\$22,109.17	
Expenses		
Postage	\$ 401.68	
Miscellaneous	1,033.91	
Education Seminars	88.00	
Publications	15,151.07	
Meetings and Travel	2,196.75	
Newsletter	141.55	
Payables	1,838.82	
Convention Functions	37.24	
	20,889.02	
Increase		1,220.15
Balance, May 31, 1988		\$25,377.70

Notices

Tax History Research Center Established

The Academy of Accounting Historians has established a tax history research center which is housed in the School of Accountancy at the University of Mississippi. The University is located in Oxford. Dr. Tonya Flesher, Acting Dean of the School of Accountancy at Ole Miss, has been named by Academy president, Richard Vangermeersch, as the first director of the research center. In addition to being a well known tax historian, Dr. Flesher meets the criteria established for the directorship of being a member of both the Academy and the American Taxation Association. Academy officers felt that the dual membership requirement would add to the visibility of the research center since researchers in the area of tax policy would also find the Center a useful resource.

Initially, the Center will house the E. Louis Raverta Tax Collection which was donated to the Academy two years ago and has since been stored in a public warehouse in Atlanta. Dr. Raverta was on the accounting faculty of Western New England College for many years and was also a successful

practitioner in the Springfield, Massachusetts, area. The collection is primarily composed of a series of tax services that are supposedly complete from 1909 (the year of the first corporate income tax) to 1983. Not only are many of the early volumes rare and quite valuable, a complete collection could be priceless. The collection consists of over 500 volumes. Specific series in the collection include:

- CCH Standard Federal Tax Reporter
- Prentice Hall Federal Taxes Corporation Trust Company
- Federal Income Tax Service
- Rabkin & Johnson's Federal Income, Gift and Estate Tax
- University of Miami Institute on Estate Planning
- Federal Securities Law Reporter

The above items, when coupled with the tax resources already available in the Ole Miss libraries, make the University an incomparable location for tax history research.

In the same way that the Academy's Accounting History Research Center at Georgia State University provides a central repository for accounting archival materials, the Tax History Research Center offers a similar

opportunity for tax materials. The Academy and tax historians everywhere owe Dr. Louis Raverta a debt of gratitude for his contribution which made the Center a reality. The Center hopes to expand its holdings by obtaining other types of tax materials such as early tax journals and early tax forms. Individuals wishing to donate materials are encouraged to do so. Additional information about the Center can be obtained from Dr. Tonya Flesher, School of Accountancy, University of Mississippi, University, MS 38677.

ATA Committee on Subchapter K

The ATA Committee on Subchapter K submitted comments to the Internal Revenue Service on Proposed and Temporary Regulations 1.706-IT. An announcement of the submission appeared in the Daily Tax Report on March 8, 1988, and the comments were reprinted in full in the March 14, 1988 issue of Tax Notes. Members of the 1987-88 Committee were Richard Bobrow, James Boyd, Grover Cleveland, Kenneth Heller (Chair), Kenneth Orbach, and Fred Streuling.

**American Taxation Association Program
American Accounting Association
ANNUAL CONVENTION
Orlando, Florida
August, 1988**

Monday, August 15

10:15 to 11:45 ATA Section Business Meeting
12:00 to 1:30 ATA Luncheon
Speaker: Norman Ture, President, IRET Former Undersecretary of Treasury for
Tax and Economic Affairs

Tuesday, August 16

10:15 to 11:45 Research in Corporate Taxation
Moderator: Ron Copeland, Northeastern University
 "The Cost to Nonfinancial Corporate Companies of Financing Value-Added Taxes:
Cash-Flow Model Development and Macro Estimates"
Robert Crum—Penn State University
 "Empirical Tests of Investor Usefulness for Tax Basis Financial Statements"
Joseph Anthony and Sanjay Gupta—Michigan State University
 "U.S. Income Tax Transfer Pricing Rules and Resource Allocation: The Case of
Decentralized Multinational Firms"
Robert Halperin and Bin Srinidhi—New York University

2:00 to 3:30 Panel on "Tax Education: Problems and Perspectives"
Moderator: Silvia Madeo—University of Missouri-St. Louis
Panelists: Ray Sommerfeld—University of Texas
 Mark Wolfson—Stanford University
 Al Mitchell—Arthur Young & Company

Wednesday, August 17

8:30 to 10:00 Panel on "Artificial Intelligence: Application in Taxation"
Moderator: John Kramer—University of Florida
Panelists: Robert Black—University of Texas
 Steven E. Buehler—Price Waterhouse
 Ted Rogers—Internal Revenue Service

10:15 to 11:45 Issues in Taxation of Individuals
Moderator: John Robinson—University of Texas-Austin
 "A Positive Approach to Taxpayer Noncompliance"
Peggy Hite—Indiana University
 "The Tax Reform Act of 1986: Projected Changes in Personal Income Taxes"
Jon W. Bartley—North Carolina State; N. LaVar Harline—University of Utah
 "An Experimental Analysis of the Effect of Tax Regimes on Work Effort"
Julie Collins, Daniel P. Murphy, and R. David Plumlee, University of North Carolina

3:15 to 4:45 Doctoral Research in Taxation
Moderator: Debra White Hopkins—University of Texas-Arlington
 "An Empirical Study of Political Costs Associated With Mandated Change in
Tax and Financial Reporting Depreciation Methods Imposed on Railroad Industry"
Sharon Lassar—University of Southern California
 "An Empirical Study of Taxpayer Perceptions of Fairness and the
Relation to Tax Evasion"
Monica Gerbing—Lewis & Clark College
 "Alternative Social Security Taxing Schemes: An Analysis of Vertical and Horizontal
Equity in the Federal Tax System"
Robert Ricketts—North Texas State University

Norman Ture is a Chicago Ph.D. who was Undersecretary of Treasury for Tax and Economic Affairs in 1981 and 1982. Some give him credit (or blame) for being the principal author of supply side economic policy. He is currently a lobbyist and President of IRET (Institute for Research on the Economics of Taxation). He is currently very interested in the topics of the value added tax and consumption taxes.

*This session is not technically considered an ATA session but was organized by Silvia Madeo as an Accounting Education and Teaching - Tax session.

American Taxation Association 1988-89 Committee Appointments

Name _____

1. I am
 - A. a member of ATA.
 - B. Joining ATA—call (813) 921-7747 for information.
2. Do you expect to attend the AAA meeting in Orlando? Yes___ No___
3. Do you expect to attend the AAA meeting in Hawaii? Yes___ No___
4. Please circle the most appropriate number for each of the following committees to indicate your degree of interest, assuming that:

1 = strongly interested 3 = willing, but not excited
2 = interested 4 = not interested

Consult the enclosed list while completing this section.

Committee	Degree of interest			
	1	2	3	4
A. ATA/Ernst & Whinney Graduate Tax Student Manuscript Award Committee	1	2	3	4
B. ATA/Price Waterhouse Doctoral Dissertation Award Committee	1	2	3	4
C. ATA Tax Manuscript Award Committee	1	2	3	4
E. Committee on AAA Regional Programs	1	2	3	4
F. Committee on International Taxation Issues	1	2	3	4
G. Committee on AAA Regional Programs	1	2	3	4
H. Committee on Tax Policy and Relations with the IRS	1	2	3	4
I. Membership Committee	1	2	3	4
J. Nominations Committee	1	2	3	4
K. Practitioner Interests Committee	1	2	3	4
L. Publications Committee	1	2	3	4
M. Research Committee	1	2	3	4

5. List in order of your preference all committees that you are *strongly interested* in. Simply use the appropriate letters instead of writing out the committee titles.

6. Would you like to chair a committee?

A. Yes
B. No—skip to number 8

7. List in order of your preference the letter(s) of the committee(s) you would like to chair.

8. What AAA Region are you in? _____

9. Which AAA Regional meetings do you expect/hope to attend in 1988?

Thank you. Please return to:

Jane O. Burns
ATA President-Elect
College of Business Administration
Texas Tech University
Lubbock, TX 79409

1988-89 COMMITTEE APPOINTMENTS

Please complete the enclosed questionnaire if you are an ATA member (or will be a member by August 1988) and are interested in being appointed to a 1988-89 ATA committee. Preference will be given to individuals who:

1. Have a proven record of ATA service or are new to ATA committee membership, and
2. Expect to attend the American Accounting Association meetings in 1988 (Orlando).

Generally, committees will be composed of a mixture of individuals who have served on a similar committee previously and individuals who have not. As a result, I hope some of you will request to be reassigned to a committee you have served on previously.

Committee chairpersons will be selected based on previous ATA service. Preference generally will be given to people who have served on a similar committee during the last two years. In addition to overseeing the committee, a chairperson's responsibilities include (1) conducting a committee meeting in Orlando, (2) submitting three committee reports by the stipulated dates to ATA officers and trustees, (3) completing evaluation year-end forms for all committee members, and (4) presenting the year-end report to the membership at the ATA business meeting in Hawaii.

A list of the 1988-89 committees is enclosed. Please consult the list when completing the questionnaire. Since all assignments will be completed by the first week in August, your early response will be appreciated.

Thank You.

Jane O. Burns

COMMITTEE ON COMPUTER USAGE AND APPLICATIONS

CPE COURSES IN ORLANDO: The Computer Committee will be sponsoring two four-hour Continuing Professional Education workshops at the National Meeting in Orlando. The first workshop is entitled "Computer Assisted Tax Research and Instruction Using LEXIS and PHINet." This session will provide participants with hands-on experience using personal computers connected directly with the LEXIS and PHINet databases. Only two individuals will be assigned to each terminal. Instruction will be provided by LEXIS and PHINet national education personnel. Early registrants will receive advance copies of LEXIS and PHINet user's guides, demonstration disks designed to run on any IBM or IBM compatible terminal, and related self-instructional material. A panel of current academic users will also provide participants with criteria to consider when selecting a database, integrating the databases into various tax courses, sample cases/problems, etc. For more information on this workshop, contact Professor Bud Lacy, School of Accounting, Oklahoma State University, Stillwater, OK 74078. Telephone: (405) 625-5124.

The second workshop is entitled "Computer Spreadsheets and Templates in Tax Education." This session will provide participants with hands-on experience in learning how to use electronic spreadsheets in tax courses, how to use and evaluate templates developed by the authors of the leading tax texts, how to design templates tailored to meet the leading tax texts, and how to design templates tailored to meet specific objectives. Again, only two individuals will be assigned to each terminal. Participants will receive users manuals for TWIN, a LOTUS 1-2-3 compatible spreadsheet. The manual includes a system and print graph disk designed to run on any IBM or IBM compatible machine. Participants will also receive copies of the student manuals, disks, and templates developed by the authors of the leading tax texts. For more information on this workshop, contact Professor Cherie O'Neil, Virginia Polytechnic Institute and State University, Blacksburg, VA 24061.

Telephone: (703) 961-6096

Both workshops are offered twice—once in the morning from 8 to 12, and once in the afternoon from 1 to 5. Enrollment is limited to 20 participants in each session.

PHINet CD-ROM DEVELOPMENTS: CD ROM (Compact disk—Read Only Memory) brings into a local PC-based environment a magnitude of storage and search capabilities that until recently was available only through remotely accessed mainframes. By making large amounts of locally stored data available at a fixed cost, CD ROM can dramatically drive down the cost of doing electronic tax research. PHINet, an information services division of Prentice Hall, is among the first to have placed tax/legal materials on this medium. They currently have produced disks with over one gigabyte (one billion characters) of full text tax information.

PHINet's tax data on CD ROM has the same characteristics familiar to users of PHINet's online databases. The data is searchable by date, Internal Revenue Code section, citation, etc., as well as by free-text key words. The following disks are now available: Private letter Rulings (1977-1986), Revenue Rulings and Procedures (1954-1986), Tax Court Reported and Memorandum Decisions (1973-1986) and AFTR decisions (1973-current).

Updates are supported through the issuance of additional disks (semianual in the first year) and automatic links to PHINet's online databases. The online updating feature automatically stores executed searches on CD ROM, signs on to the equivalent online database, and executes the search against the most current online data.

Current technology does not enable producers like Prentice Hall to erase and reuse CD ROM disks. Consequently, the Computer Committee is negotiating with Prentice Hall regarding the availability of returned disks for academic use. We hope that as the disks become available the Committee will be able to distribute them to requesting universities. (Submitted by Bud Lacy, Oklahoma State University, Chairman Committee of Computer Usage and Applications.)

1987-1988 ATA COMMITTEES

6. COMMITTEE ON COMPUTER USAGE AND APPLICATIONS

Chairperson: Bud Lacy, Oklahoma State University
Members: Robert H. Michaelsen, North Texas State Univ.
Roland Lipke, Temple University
Robery Nagota, University of Hawaii at Manoa
Kevin Wall, Bentley College
Tim McKee, Old Dominion University
Scott Newman, Georgetown University
Robert Black, University of Texas at Austin
Virginia Bean, University of Nebraska, Omaha
Don Marshall, California State University -
San Bernardino
Cherie O'Neil, Virginia Tech

7. COMMITTEE TO ANALYZE THE CONTENT OF TAX QUESTIONS ON THE CPA EXAM

Chairperson: Bob Rosen, Ernst & Whinney
Don Seat, Valdosta State College
Members: Israel Blumenfrucht, CUNY-Queens college
Kevin Murphy, Oklahoma State University
Ira Greenberg, Temple University
Lucretia Mattson, Univ. of Wisc.-Aau Claire
Tom Moncada, Eastern Illinois University
Jack Fay, University of South Florida
Peggy Hite, University of Kansas
David Roberts, DePaul University

8. COMMITTEE ON SUBCHAPTER K

Chairperson: Ken Heller, George Mason University
Fred Streuling, Brigham Young University
Members: Ken Orbach, Louisiana State University
James Boyd, Arizona State University
Grover Cleveland, University of Minnesota
Richard Bobrow, Ernst & Whinney

9. COMMITTEE ON INCOME MEASUREMENT

Chairperson: Gene Seago, Virginia Tech
Members: Don Summa, Rutgers University
James Wheeler, University of Michigan
Thomas Dickens, Clemson University
Alan Ford, University of Kansas
Ken E. Smith, George Washington University
Ed Outslay, Michigan State University
Walter F. O'Connor, Fordham University

10. COMMITTEE FOR CLEARING HOUSE FOR TAX RESEARCH CASES

Chairperson: Anna C. Fowler
Members: Arlene Craig, Northern Illinois University
Jack R. Fay, University of South Florida
Karen Hreha, University of Illinois
Martin Roth, College of New Rochelle

11. ATA HISTORIAN

ATA Historian: D. Larry Crumbley
Texas A&M University

1. ANNUAL PROGRAM COMMITTEE

Chairperson: Sandra S. Kramer, University of Florida
Members: Albert R. Mitchell, Arthur Young
Mark Wolfson, Stanford University
Debra M. White, North Texas State University
Ronald M. Copeland, Northeastern University
John R. Robinson, Univ. of Texas at Austin

2. ATA/PRICE WATERHOUSE DOCTORAL DISSERTATION AWARD COMMITTEE

Chairperson: Thomas M. Porcano, Miami (Ohio) University
Members: Richard P. Weber, Michigan State University
Charles Boynton, University of Wisconsin
Novella Noland Clevenger
Virginia Commonwealth Univ.
David Maloney, University of Virginia
Steven Crowell, Auburn University

3. NOMINATIONS COMMITTEE

Chairperson: Sally M. Jones, University of Texas at Austin
Members: John L. Kramer, University of Florida
Barry P. Arlinghaus, Miami (Ohio) University
Betty R. Jackson, Univ. of Colorado (Boulder)
Susan Nordhauser, Univ. of Tex. at San Antonio

4. COMMITTEE ON REGIONAL PROGRAMS AND MEMBERSHIP

Chairperson: Carolyn O. Strobel, University of South Carolina
Members: Robert D. Swanson, Iowa State University
David Davidson, Cal. State Univ. Long Beach
Wig DeMerville, Laredo State University
Mary D. Maury, St. John's University
Kathleen K. Wright, Cal. State Univ. Hayward
Tonya Kay Flesher, University of Mississippi
John M. Beehler, Univ. of Texas at Arlington
James E. Smith, William & Mary
Don M. Cash, Pittsburg State University
Douglass C. IZard, University of Tennessee
Janet Coberly, University of Houston
Kevin M. Misiewicz, University of Notre Dame
Allen M. Cabral, University of Akron
Michael Davis, University of Baltimore

5. TAX MANUSCRIPT AWARD COMMITTEE

Chairperson: Stephen T. Limberg, Univ. of Texas at Austin
Members: Pete Salzarulo, Miami (Ohio) University
Kenneth E. Anderson, North Texas State Univ.
Charles Christian, Arizona State University
Jesse Boyles, University of Florida
Julie Collins, Univ. of North Carolina (Visiting)
Valerie Milliron, Pennsylvania State Univ.

American Taxation Association

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