ACC 699 Special Topics – Tax Research in Accounting

Syllabus – Spring 2020, F 1400 – 1640, 1.5 Units

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Office Hours: by appointment

Course Description
This course is designed to provide you with a solid understanding of tax research in accounting and how it fits within the larger bodies of research in accounting, finance, and economics.

Learning Objectives
By the end of this course, you will be able to:
1. Communicate the motivation for tax research, i.e. why do we care?
2. Understand and apply the empirical methods used in tax research
3. Develop and frame new ideas for understanding the importance of taxes in business and investor decision-making
4. Critically assess existing studies in terms of theoretical contributions and empirical execution

Required Materials
There is no course textbook. All reading will consist of published journal articles and working papers available through the library or other open sources (SSRN) that will be posted on blackboard.

Prerequisites and/or Recommended Preparation:
You should have graduate level exposure to economics, econometrics, and empirical research in financial accounting prior to taking this course.

Course Notes:
All course material, including presentation slides and research papers, will be available on blackboard.

Grading Policies:

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<th>% of grade</th>
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<td>Student presentations</td>
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<td>Weekly participation</td>
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<td>Referee report</td>
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<td>Research proposal</td>
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Student presentations (25%)
You will present an assigned research paper at least two times during the course, more depending on the number of students enrolled in the class. For the first seven weeks, you will present their assigned research paper assuming the role of the author in a workshop-like setting. Clear and meaningful slides and a solid understanding of the paper is crucial for you and the class. Non-presenting students will be tasked with asking critical questions and offering useful comments for improving the paper. These presentations should last around 45 minutes. You will be evaluated on the content, delivery, and overall quality of the presentation. This will count for 25% of your grade. You will submit your presentation slides to me by 7pm the evening before class.

Weekly participation (15%)

I expect every student to arrive ready to discuss the topics and papers covered that day. Students not assigned to present during the week are responsible for coming to class with three written questions for each of the papers presented. These questions should reflect a careful and honest read of the paper and address a specific issue or concern. Avoid generic comments like “you should cluster your standard errors”, or questions like “what about endogeneity?” unless you lay out specific reason why those critiques apply to the paper. You will be graded on the quality of your written questions and in-class participation. Written questions will be due by 7pm the evening before class. Note: The specific papers to be read and discussed are subject to change. Students will be notified at least a week in advance of any adjustments to the reading list.

**Referee report (20%)**

During your academic career, your peers will provide you with constant and critical feedback. Likewise, you will be asked to provide feedback on their ideas. These can be informal discussions over coffee, more formal presentations in a workshop or conference setting, or through the process of providing reviews of manuscripts submitted for possible publication in an academic journal. You will receive many referee reports in your career, and it will help to have a thick skin when the editor’s decision is unfavorable. Develop it now. You will also be asked by those same editors to provide referee reports for other submissions and make a recommendation on publication. These editors are often delegating the decision-making responsibility to the reviewer. An editor is more likely to follow your suggestion when you provide an honest, clear and constructive review. For new faculty, the first review at a journal is crucial as it will establish whether or not you get asked to provide a second review, and so on. To that end, you will be asked to write, independently, a referee report on a paper that I assign. This paper will be a working paper and will offer plenty of opportunities for critique. Your responsibility is to identify the most important issues with the paper, communicate them in a straightforward manner, and make a recommendation for publication. The review should be two to three pages, single-spaced. I will provide examples.

**Research proposal (40%)**

At the end of the course, you will deliver a research proposal that consists of a clear statement of a research question, its motivation and contribution, a review of the relevant literature and hypothesis development, and an empirical strategy for providing evidence on your questions. There is no constraint on the topic as long as it is focused on a tax-related theme that an accounting audience would find interesting. You should get started early. By week four you need to discuss your proposed topic with me. I will provide you with feedback that you are expected to incorporate into your final proposal. Those proposals are due the evening before our final class. All students will present their proposals in the final class meeting.

**ADDITIONAL INFORMATION**

**USC Statement on Academic Conduct and Support Systems**

**Academic Conduct:**
Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” [https://policy.usc.edu/scampus-part-b/](https://policy.usc.edu/scampus-part-b/). Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, [http://policy.usc.edu/scientific-misconduct](http://policy.usc.edu/scientific-misconduct).

**Support Systems**
*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. [https://engemannshc.usc.edu/counseling/](https://engemannshc.usc.edu/counseling/)

**National Suicide Prevention Lifeline - 1-800-273-8255**
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. [http://www.suicidepreventionlifeline.org](http://www.suicidepreventionlifeline.org)

**Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call**
Free and confidential therapy services, workshops, and training for situations related to gender-based harm. [https://engemannshc.usc.edu/rsvp/](https://engemannshc.usc.edu/rsvp/)

**Sexual Assault Resource Center**
For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: [http://sarc.usc.edu/](http://sarc.usc.edu/)

**Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086**
Works with faculty, staff, visitors, applicants, and students around issues of protected class. [https://equity.usc.edu/](https://equity.usc.edu/)

**Bias Assessment Response and Support**
Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. [https://studentaffairs.usc.edu/bias-assessment-response-support/](https://studentaffairs.usc.edu/bias-assessment-response-support/)

**The Office of Disability Services and Programs**
Provides certification for students with disabilities and helps arrange relevant accommodations. [dsp.usc.edu](http://dsp.usc.edu)

**USC Support & Advocacy – (213) 821-4710**
Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. [https://studentaffairs.usc.edu/ssa/](https://studentaffairs.usc.edu/ssa/)

**Diversity at USC** – [https://diversity.usc.edu/](https://diversity.usc.edu/)
Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

**USC Emergency Information**
Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. [emergency.usc.edu](http://emergency.usc.edu)

**USC Department of Public Safety** – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime.
Provides overall safety to USC community. [dps.usc.edu](http://dps.usc.edu)

**Students with Disabilities**
USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A
letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is
delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford
Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP
is (213) 740-0776. Email: ability@usc.edu.

Emergency Preparedness/Course Continuity
In case of a declared emergency if travel to campus is not feasible, the USC Emergency Information web site
(http://emergency.usc.edu/) will provide safety and other information, including electronic means by which
instructors will conduct class using a combination of USC’s Blackboard learning management system
(blackboard.usc.edu), teleconferencing, and other technologies.
COURSE CALENDAR

Week 1: A review of and orientation to the tax literature in accounting


Week 2: Incentives for tax planning


Week 3: Disclosure, information, and tax planning


Week 4: Income shifting


**Week 5: The pricing of tax planning**


**Week 6: Tax losses**


**Week 7: Taxes and other interesting stuff**


DeGroot, T. 2019 “Tax avoidance and tax-related litigation: Evidence from United States Tax Court” Working paper, University of Southern California

**Week 8: Student proposal presentations**
**Supplementary: Taxes and Risk-Taking**

Armstrong and Vashishtha (2012)
Ljungqvist et al. (2017)
Armstrong et al. (2019)