A key element

General Features



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Andy Lymer, Lynne Oats and *Simon James* take a look at the opportunities presented by academic conferences in tax

Key Points

What is the issue?

Academic conferences on tax provide a key opportunity to engage in the future of how tax policy is set and administered globally.

What does it mean to me?

Academic tax conferences might be something advisers should look at more closely as a way of seeing where developments in tax practice may be heading.

What can I take away?

There may be opportunities to get involved in a study with tax academics in an area you have experience in to help that project.

Academic conferences are a key element of the research creation process. They are often the source of new research ideas as well as the place ideas in formation are explored with others and where the outcomes of research endeavors are shared. The balance of the focus across these three areas differs from event to event and getting the most from participation in them requires understanding the different nature of these events – whether they are idea forming focused or more orientated to results presentation.

Tax research is no different. Academic tax conferences provide opportunity for those not only from different parts of the world to gather but also those from different base disciplines to share their particular perspectives on key tax issues to create, hopefully, a greater sum of the parts in the process. In this article we explore three recent academic tax research conferences illustrating some of the discussions that took place and what might be of wider interest that was exposed there to rigorous discussion and debate. These three were chosen as illustrating coverage across all three of the broad types of academic conference events rather than picking events that are solely results presenting orientated.

25th Tax Research Network Annual Conference

One of the key annual events in the UK for tax researchers is the TRN (Tax Research Network) conference. This year it was hosted by the University of Roehampton on the 31 August – 2 September. Over the three days 27 presentations were given and more than 50 participants from countries as far afield as Canada, New Zealand, South Africa and Australia engaged in the subsequent debate and discussion.

The conference commences each year with a Phd student meeting covering the first day. This event is an important opportunity for those in early stages of their research careers to gather with like-minded (and like-burdened) folk to share experiences, discuss their specific research activity and gain some sage counsel from the more experienced faculty present for that purpose. Students presenting work in progress this year included exploration of Caribbean offshore financial centres, the implementation and impact of interest limitation rules post BEPS, prospects for a general anti avoidance rule in Indonesia, tax policy processes in Ireland and research on the future of tax education in UK in preparing students for future careers in tax.

The main event was kicked off by keynote discussions from two of the Fair tax academic programme workstreams. This is a large EU wide project consisting of eight workstreams with participants from nine different countries. Lotta Björklund Larsen detailed aspects of their work including their evaluation of a 'failed' cooperative compliance project in Sweden that illustrated lessons to be learned for other jurisdictions looking at such approaches to large taxpayer compliance. The second paper (by Dennis de Widt and Lynne Oats) critically examined a Dutch-UK comparison of risk assessment approaches in their respective cooperative compliance regimes (in the Netherlands the risk assessments are taxpayer originated and create tax control frameworks – TCFs – agreed with the tax authority; in the UK they are conducted by the tax administration and produce a binary low/non-low risk result only – with different resultant experiences of the resulting outcomes).

Of the remainder of the event highlights included two papers (by Riad Cheikh and Recep Yucedogru) detailing separate projects exploring the effects of different personal religious beliefs on tax compliance behaviour. Both suggested that our frameworks for analysing this are too crude at present in the increasingly super-diverse environments found in developed countries.
Further details on this network and on their various events, including this one, can be found on their website.

The 12th International Conference on Tax Administration

The 12th International Conference on Tax Administration was organised by the School of Taxation and Business Law of the University of New South Wales (UNSW) Business School, and took place in Sydney on 31 March and 1 April 2016. There were 10 speakers at plenary sessions and 22 papers were presented at the streamed sessions. There was a good balance of contributions by academics, tax officials and practitioners, and a strong international dimension, with contributors from Australia, Austria, Indonesia, Japan, New Zealand, Turkey, UK, and USA. One of the strengths of this conference since its inception in 1994 has been the active participation by those in practice on both sides of the fence.

The Australian Commissioner, Chris Jordan, gave an address titled ‘Better services and a better experience for Australians’, which described trends in service delivery, including the reduction of red tape, user-driven design of the ATO’s services, and differentiated, tailored engagement with taxpayers. The New Zealand Commissioner, Naomi Ferguson’s speech was titled ‘Everything must change’ and described the need for revenue authority change, not only in technology but also in processes, policy and revenue culture, in order to become more ‘customer-focused’. This was followed by a second plenary session in which Ali Noroozi, Inspector General of Taxation Australia, and Nina Olson, National Taxpayer Advocate, Internal Revenue Service, USA, described the work of their departments.

There is a considerable amount of academic work that looks at more practical aspects of tax administration. Academics are interested in tax compliance, compliance costs and tax simplification. There were also papers on tax administration and service delivery, taxpayer rights and dispute resolution.

A paper by Michael Duggan (Inland Revenue New Zealand) described research into mental tax accounting in relation to voluntary compliance and business systems. The concept of mental accounting is drawn from behavioural economics and describes the tendency for individuals to organise their money mentally into separate accounts as part of their personal financial management. It has generated some useful insights into financial behaviour and this paper presented survey results that found mental accounting is significantly related to compliance, as well as to a range of business systems and attitudes.

A number of papers related to service delivery, including Valmai Copeland and Virginia Burns (Inland Revenue NZ), who presented findings on the use of software to prepare tax returns and digital media to communicate with the tax authorities.

A paper by Kalmen Datt evaluated the ‘naming and shaming’ approach that activists, the media and politicians sometimes take to the manner in which large corporations structure either themselves or their transactions to limit their tax liability.

It concluded that tax paid should be based on legal liability and ‘not be an ex gratia payment or attempt to appease unjustified, and often uninformed and vociferous criticism’. In terms of dispute resolution, Melinda Jone focused on initiatives aimed at preventing or resolving disputes early in the process. These may involve a tax official trained in mediation techniques trying to reach an agreement with the taxpayer. In recent years, the revenue authorities in both Australia and the UK have formally adopted such arrangements, and this paper used dispute system design (DSD) principles to examine the UK system and offer recommendations for Australia.

The 4th Tax Administration Research Centre Workshop

The 4th Tax Administration Research Centre (TARC) Workshop was held at the University of Exeter on 21–22 April 2016 (TARC was profiled in a Tax Adviser article in December 2014). Participants and presenters came from 13 different countries and papers were presented from a variety of disciplinary backgrounds including economics, law and psychology.

The two keynote speakers were Professor James Alm (Tulane University), who discussed the tax gap in the US, and Nina Olson (US Internal Revenue Service Taxpayer Advocate), who shared her insights into tax compliance based on a long career as the voice of the taxpayer within the IRS and before the US Congress.

A special session on devolution and tax administration included presentations from John Whiting (Tax Director of the Office of Tax Simplification and Board member of Revenue Scotland), Julian Revel (Welsh Government), and Michael Smart (University of Toronto).

Marco Greggi (University of Ferraro, Italy) presented a paper intriguingly titled ‘And yet it moves’ in which he discussed recent developments in the EU in relation to tackling tax avoidance, in particular the new anti-avoidance directive aiming to harmonise approaches to tax avoidance across Europe. Amir Pichhadze from the US

discussed the role and implications of contract interpretation in transfer pricing in which he suggested that courts have been overlooking this in recent disputes over transfer pricing violations.

Gerardine Doyle (University College Dublin) reported on a recent study of tax professionals seeking their views of the Irish general anti-avoidance rule and associated mandatory disclosure rules. While the Irish GAAR predates the introduction in the UK of the general anti abuse rule, mandatory disclosure of tax avoidance is a more recent development.

Further details on the workshop can be found on the TARC website.

While these events only represent three examples of their type, they illustrate the rich opportunity that exists to engage in discussion of the trends in tax activity worldwide between tax academics and those involved in the practice of tax policy development, tax administration and taxpayer compliance and consulting.

Further information

To read more about the Tax Administration Research Centre, read Andy Lymer and Lynne Oates's article, 'It's just academic' in the November 2014 issue of Tax Adviser, which can
be found online at www.taxadvisermagazine.com.

Some of the upcoming events you can attend are:

- University of Birmingham Tax and Governance Research Group annual workshop 31 Jan 2017, theme 'Tax, with and without borders'. More from p.a.l.tuck@bham.ac.uk.
- 5th Annual TARC Workshop, Spring 2017. See TARC Events.
- Cambridge Centre for Tax Law, Tax Policy Conference 11 April 2017.
- 26th Tax Research Network annual conference, Sept 4–7 2017 hosted by University of Bournemouth. More details from akirkpatrick@bournemouth.ac.uk.