



## PhD Seminar on Empirical Tax Research

### Part I: Christoph Watrin, Adrian Kubata

(Lecture: Thursdays, 10.15-11.45 am, J 372, Münster)

### Part II: Terry Shevlin, Alex Edwards

(Seminar: July 6-7, 2016, Bonn)

### Course Description

The course provides an introduction to empirical tax research (in accounting). Both Master and PhD students are welcomed to attend the seminar **Master Course: ACM 9, 12, 15, MWP 29, Res 01-04, 6 LP. PhD Course: B or C credit.**

We first provide an overview of the vast area of empirical tax research and emphasize the need for research in this area. We then explore basic research design issues that must be considered in planning and conducting of empirical research. With this foundation, we analyze and evaluate a range of empirical papers in detail.

Important elements of this course include developing:

- (1) an appreciation for the role of theory in applied work,
- (2) an understanding of research designs commonly used in tax, accounting and corporate finance research,
- (3) the necessary skills to design and conduct empirical research,
- (4) skills to identify a marketable project.

The main topics of the course will be:

- Corporate Tax Avoidance and Tax Aggressiveness
- Tax Avoidance and Firm Reputation
- Base Erosion and Profit Shifting
- Tax Audit and Tax Planning
- Mergers & Acquisitions
- Manager Effects on Corporate Tax Planning

### Course Requirements and Grading for WWU Students

It is expected that every participant presents one of the listed papers and takes an active part in the discussions.

A PowerPoint presentation of your paper presentation for part I of the seminar should be send to [adrian.kubata@wiwi.uni-muenster.de](mailto:adrian.kubata@wiwi.uni-muenster.de) (deadline tba).

You will be evaluated and graded on the basis of your paper presentation (25%), your class participation (25%) and a 12 page paper critique (50%). Master students will receive a grade (**ACM 9, 12, 15, Res 01-04, 6 LP.**); doctoral students will be graded with passed/failed (**B or C credit**).



## **Conduct of Course**

For the most part, the course will be conducted using a seminar format. There also will be some parts held as a lecture. You are expected to take an active part in discussing and evaluating the readings assigned for each session.

We will lead the class during the first sessions of the course and let course participants take over afterwards. The structure of your presentation should include the following aspects:

- (1) Research Question
- (2) Motivation and Prior Literature
- (3) Theory / Hypotheses
- (4) Contribution/Incremental Contribution
- (5) Empirical Design
- (6) Required Data and Data Availability
- (7) Findings / Conclusion

For a more detailed description, we will distribute a template for how to summarize a paper in one of the first classes.

We will also provide some basic data sets which we will use for some basic empirical analyses. That is, to replicate some of the papers results, do some simple significance tests and run regressions using STATA/ EViews. If you are thinking of writing an empirical master thesis, this will be your chance to get introduced to the basics of empirical work as well as of how to conduct empirical research projects.

PhD students can use this course as a chance to develop own research projects in the area of empirical tax research. The lecturers will be delighted in providing guidance on this and to help emphasizing brainstorming in order to develop marketable projects.

## **Additional Course Materials**

In addition to the papers that will be distributed to class participants, the following text book can be helpful:

Scholes, M. S., Wolfson, M. A., Erickson, M., Maydew, E. L., Shevlin, T., 2014. Taxes and Business Strategy: A Planning Approach. Engelwood Cliffs, NJ: Prentice-Hall, Inc. 5th ed.



## **Part I: Lecture**

**Thursdays, 10.15-11.45 am, J 372  
(Watrin/ Kubata)**

### Session 1 – 21.04.2016

Hanlon, M., Heitzman, S., 2010. A review of tax research, Journal of Accounting and Economics, 50: 127-178.

### Session 2 – 28.04.2016

Dyreng, S., Hanlon, M., Maydew, E., Thornock, J., 2014. Changes in corporate effective tax rates over the past twenty-five years. Working Paper.

### Session 3 – 12.05.2016

Dyreng, S., Hanlon, M., Maydew, E., 2008. Long-run corporate tax avoidance, The Accounting Review, 83: 61-82.

Wilson, R., 2009. An examination of corporate tax shelter participants. The Accounting Review 83: 969-999.

### Session 4 – 02.06.2016

The persistence and pricing of earnings, accruals, and cash flows when firms have large book-tax differences. The Accounting Review 80: 137-166.

### Session 5 – 09.06.2016

Frank, M., Lynch, M., Rego, S., 2009. Tax reporting aggressiveness and its relation to aggressive financial reporting. The Accounting review 84: 467-496.

### Session 6 – 16.06.2016

Robinson, J.R., Sikes, S., Weaver, C., 2010, Performance Measurement of Corporate Tax Departments, The Accounting Review 85: 1035-1064.

Dyreng, S., Hanlon, M., Maydew, E., 2010, The Effects of Executives on Corporate Tax Avoidance, The Accounting Review 85, 1163-1189.



## **Part II: Seminar**

**Wednesday, July 6th, 2016, Bonn  
(Shevlin/ Edwards)**

### **Session 1 – Taxes and Financial Constraints**

Alexander Edwards, Casey Schwab, and Terry Shevlin. Financial constraints and cash tax savings. The Accounting Review (forthcoming).

Scott Dyreng and Kevin Markle. The effect of financial constraints on tax-motivated income shifting by U.S. multinationals. The Accounting Review (forthcoming).

### **Session 2 – Auditor-Provided Tax Services**

Jere Francis, Stevanie Neuman, and Nathan Newton. Do auditor-provided tax services affect analysts' forecasts? University of Missouri-Columbia working paper.

Preeti Choudhary, Allison Koester, and Robert Pawlewicz. Auditor provided tax services and income tax estimation error. Georgetown University working paper.

### **Session 3 – The Book-Tax Trade Off**

Kathleen Andries, John Gallemore, and Martin Jacob. The effect of corporate taxation on bank transparency: Evidence from the deductibility of loan losses. WHU – Otto Beisheim School of Management working paper.

Daniel Lynch, Miles Romney, Bridget Stomberg, and Daniel Wangerin. Trade-offs between tax and financial reporting benefits: Evidence from taxable acquisitions. University of Wisconsin working paper.

**Thursday, July 7th, 2016, Bonn  
(Shevlin/ Edwards)**

### **Session 1 – Capital Structure**

Brad Blaylock, Fabio Gaertner, and Terry Shevlin. Book-tax conformity and capital structure. Oklahoma State University working paper.

Michael Faulkender and Jason Smith. Taxes and leverage at multinational corporations. University of Maryland working paper.

### **Session 2 – Tax Department Employees**

John Jiang, John Robinson, and Maobin Wang. Sleeping with the enemy: Taxes and former IRS employees. Michigan State University working paper.

Travis Chow, Xia Chen, Qiang Cheng, and Yanju Liu. Corporate in-house human capital investment in tax planning. Singapore Management University working paper.

### **Session 3 – Executive Turnover and Taxes**

James Chyz and Fabio Gaertner. Can paying "too much" tax contribute to forced CEO turnover? University of Tennessee-Knoxville working paper.



Andrew Bird, Alexander Edwards, and Thomas Ruchti. Taxes and peer effects. Carnegie Mellon University working paper.

### **Registration**

In addition to your registration with the registration office (PAM) please sign up with Dr. Adrian Kubata: [adrian.kubata@wiwi.uni-muenster.de](mailto:adrian.kubata@wiwi.uni-muenster.de) Please indicate your name, status, and affiliation.