# Eighty-Seventh Annual Conference on Taxation

Sponsored by the National Tax Association

Omni Hotel at Charleston Place Charleston, South Carolina

November 13-15, 1994

## Eighty-Seventh Annual Conference on Taxation

Sponsored by the

National Tax Association

#### General Invitation

The Conference sessions are open, and the public is cordially invited to take part in the discussion following the formal papers to the extent that available time permits.

Anyone may take part in the discussion of resolutions submitted for Conference action, but the voting is confined to members of the National Tax Association.

The registration fee is \$250.00 for members of NTA, \$300.00 for nonmembers, and \$100.00 for spouses. The registration fee includes the Sunday evening reception, Monday luncheon, and the Tuesday evening buffet and entertainment.

#### Message Center

Arrangements have been made with the Omni Hotel to provide a message center to receive messages and incoming telephone calls. The telephone number of the hotel is:

(803) 722-4900

#### **Continuing Professional Education**

Certificate of attendance forms indicating the number of CPE hours or each session may be obtained at the registration desk. The certificate may be used as evidence of attendance to satisfy state requirements.

## The Association acknowledges with appreciation financial support from the following:

AT&T
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Grant Thornton
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Policy Economics Group of KPMG Peat Marwick LLP
South Carolina Chamber of Commerce
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Union Electric Company

#### Please Note:

Tickets are required for admittance to the Sunday evening reception, the Monday luncheon and the Tuesday evening reception and buffet dinner. If you are planning to attend, please be sure to bring with you the tickets that are included in your registration packet.

#### **SUNDAY NOVEMBER 13, 1994**

12:00 noon-6:00 pm

REGISTRATION

2nd Floor West

12:45 pm-2:30 pm

**FIRST GENERAL SESSION** 

Magnolia

#### NATIONAL HEALTH REFORM: WHAT NEXT?

Marie Monrad, American Federation of State, County and Municipal Employees, presiding

#### **SPEAKERS**

David Cutler, Harvard University
Gail Wilensky, Project HOPE
C. Eugene Steuerle, The Urban Institute

2:30 pm -2:45 pm

COFFEE BREAK

2:45 pm -4:15 pm

FIRST CONCURRENT SESSION

Colleton

#### CRITICAL ISSUES IN INTERNATIONAL TAXATION

Rosanne Altshuler, Rutgers University, presiding

Zero Taxable Income of Foreign Controlled Domestic Corporations: Transfer Price Manipulation or Low Profitability?

Julie Collins, Deen Kemsley and Douglas Shackelford, University of North Carolina

U. S. Interest Allocation Rules: Effects and Policy

Rosanne Altshuler, Rutgers University, and Jack Mintz, University of Toronto

**Divided Royalties and Other Payments:** 

Taxes and the Various Components of Income Earned Abroad
Harry Grubert, US Department of the Treasury

#### DISCUSSANT

Robert Mattson, IBM

2:45 pm -4:15 pm

SECOND CONCURRENT SESSION

Drayton

#### SCHOOL FINANCE REFORM AND PROPERTY TAX RELIEF

Therese McGuire, University of Illinois, presiding

School Finance Reform in Michigan: What We Know and (Mostly) What We Don't

Paul Courant and Edward Gramlich, University of Michigan

#### **SUNDAY NOVEMBER 13, 1994**

Effects of School Finance Reforms on The Level and Growth of Per Pupil Spending

Thomas Downes and Mona Shah, Northwestern University

#### COMMENTATORS

Jon Sonstelie, University of California, Santa Barbara Katharine Bradbury, Federal Reserve Bank of Boston Howard Fleeter, The Ohio State University Andrew Reschovsky, University of Wisconsin and U. S. Department of the Treasury

4:30 pm -5:45 pm

**ANNUAL MEETING** 

Magnolia

ANNUAL MEETING OF THE NATIONAL TAX ASSOCIATION
Helen F. Ladd, President, National Tax Association, presiding

**Treasurer's Report** 

**Nominating Committee Report** 

**Presentation of NTA Outstanding Doctoral Dissertation Awards** 

**Reports of Standing and Study Committees** 

**Presidential Address:** 

The Tax Expenditure Concept After 25 Years

Helen F. Ladd

6:30 pm -8:00 pm

RECEPTION

Live Oak

#### MONDAY, NOVEMBER 14, 1994

7:30 am -5:00 pm

REGISTRATION

**Conference Lounge** 

8:30 am -

SECOND GENERAL SESSION

Live Oak

Welcome

Joseph P. Riley, Jr. Mayor of Charleston

Response

Sandy J. Navin First Vice President, NTA

The Nation's Fiscal Agenda for the Next Five Years
Rosemary Marcuss, Congressional Budget Office, presiding

#### **Federal Tax Policy**

Eric Toder, U. S. Department of the Treasury

#### **State Finances**

Ronald Fisher, Michigan State University

#### **Intergovernmental Relations**

Philip M. Dearborn, U. S. Advisory Commission on Intergovernmental Relations

## 10:00 am -

COFFEE BREAK

## 10:15 am -

THIRD CONCURRENT SESSION

Cypress

#### **NEW RESEARCH ON BEHAVIORAL RESPONSES TO TAXES**

Rosanne Altshuler, The University of Michigan, presiding

#### **Behavior of the Affluent**

Gerald Auten and Robert Carroll, U. S. Department of the Treasury

#### **Women's Labor Supply**

Nada Eissa, University of California, Berkeley

#### **Corporate Tax Shield Response**

Robert Trezevant, University of Southern California

## 10:15 am -

**FOURTH CONCURRENT SESSION** 

Dogwood

## SHOULD CORPORATIONS BE REQUIRED TO DISCLOSE THEIR STATE

Margo Thorning, American Council on Capital Formation, presiding

#### Yes

Richard Pomp, University of Connecticut

#### No

Robert Strauss, Carnegie Mellon University

#### DISCUSSANTS

Cindy Mann, The Center on Budget and Policy Priorities Marilyn Wethekam, Mobil Oil

## 10:15 am -

FIFTH CONCURRENT SESSION

Jenkins/King

#### **MODERNIZING STATE TAX APPEALS SYSTEMS**

Mary Jane Egr, Grant Thornton, presiding

- **Evolution of State Appeals Systems over Recent Decades**Mary Jane Egr, Grant Thornton
- Practical Ramifications of the Evolution to Independent Status
  The Honorable Steven J. Gombinski, New York City Tax Appeals
  Tribunal
- A Practitioner's Viewpoint on Reform of the Appeals Procedure Paul H. Frankel, Morrison & Foerster

#### 12:00 noon -1:30 pm

#### **CONFERENCE LUNCHEON**

Live Oak

Sandy J. Navin, First Vice President, National Tax Association, presiding

- Presentation of the Daniel M. Holland Award to Richard A. Musgrave Helen F. Ladd, President, National Tax Association
- Luncheon Address State Governments at a Crossroads
  Ray Scheppach, National Governors' Association

#### 1:45 pm -3:15 pm

#### SIXTH CONCURRENT SESSION

Cypress

- NEW RESEARCH ON HOW TAXES AFFECT ECONOMIC DEVELOPMENT
  William Modahl, Digital Equipment Company, presiding
- What Do We Know and What Can We Know? Timothy Bartik, Upjohn Institute
- Do Taxes Matter Less Than They Used To? Michael Wasylenko, Syracuse University
- Taxes and Capital Spending: Some New Evidence Robert Tannenwald, Federal Reserve Bank of Boston Christine Kendrick, U.S. Department of Justice

#### DISCUSSANT

Leslie Papke, Michigan State University

1:45 pm -3:15 pm

#### SEVENTH CONCURRENT SESSION

Dogwood

## TAX POLICY LESSONS IN NEWLY EMERGING MARKET ECONOMIES Yolanda Kodrzycki, Federal Reserve Bank of Boston, presiding

#### **PANELISTS**

Emil M. Sunley, International Monetary Fund James H. Wooster, U. S. Department of the Treasury Harvey Galper, KMPG Peat Marwick

1:45 pm -3:15 pm

**EIGHTH CONCURRENT SESSION** 

**Edmunds** 

## FRONTIERS OF PUBLIC FINANCE: 1994 DOCTORAL DISSERTATION AWARD WINNERS

William H. Oakland, Tulane University, presiding

#### WINNERS

Three Essays on Markets and Schooling Caroline Minter Hoxby, Harvard University

Fiscal Federalism and Local Public Finance: A General Equilibrium Approach with Voting Thomas Nechyba, Stanford University

A Theory of Intergovernmental Mandates with Application to Collective Bargaining Statutes W. Loren Williams, Aeronomics, Incorporated

3:15 pm -3:30 pm

**COFFEE BREAK** 

3:30 pm -4:45 pm

**COMMITTEE MEETINGS** 

Committee meetings are open to anyone wishing to attend.

#### INTERNATIONAL PUBLIC FINANCE

**Edmunds** 

Mary Lovely, presiding

Emerging Issues for the United States in International Taxation Main Speaker: Eric Toder, U.S. Treasury, Office of Tax Analysis

#### **PANELISTS**

Rosanne Altshuler, Rutgers University Robert Mattson, IBM

#### **LOCAL NONPROPERTY TAXATION**

**Ashley Cooper** 

Robert Wassmer, presiding

City Income Taxes: Present and Future Prospects
John E. Anderson, University of Nebraska

Environmental Contamination as a Local Tax William T. Bogart, Case Western Reserve University

An Exploration of User Charges in K-12 Public Education Ronald C. Fisher, Michigan State University Robert W. Wassmer, Wayne State University

Trends in Local Reliance on Sales and Income Taxes
James D. Rogers, Pennsylvania State University
Judy A. Temple, Northern Illinois University

## TAXATION OF ENERGY, COMMUNICATIONS & TRANSPORTATION

Cypress

Clarence M. Brasfield, presiding

Roundtable Discussion of Current Issues and Developments, Legislation and Litigation

#### STATE INCOME AND BUSINESS TAXATION

Dogwood

Ranjana Madhusudhan, New Jersey Department of Treasury, presiding

Emerging Issues in State Taxation of Passive Investment Companies and Intangible Interest Holders Raymond P. Carpenter, Huey, Guilday, Kuersteiner & Tucker, P. A.

Glimmers of Tax Reform in California?

Steven Sheffrin, University of California, Davis and Elizabeth Hill, Legislative Analyst, State of California

Recent Efforts to Reform Business Taxation in Massachusetts Robert Tannenwald, Federal Reserve Bank of Boston

#### STATE SALES AND USE TAXATION

Jenkins/King

Douglas Y. Thorson, presiding

Has Reinvention Reached the Sales Tax?
John L. Mikesell, Indiana University

A Sales Tax on Professional and Business Services: Is it a Practical Tax Policy? Jerome A. Geis, Briggs & Morgan

Sales Tax Policy Development: An Administrator's Viewpoint
Billy Hamilton, Office of Texas Comptroller of Public Accounts

## F. E. Wells, presiding

Fenwick

5:00 pm -6:00 pm

THIRD GENERAL SESSION

Live Oak

### THE POLITICAL ECONOMY OF TAXATION

Eleanor Craig, University of Delaware, presiding

A Political Scientist's Perspective Richard Winters, Dartmouth college

A Journalist's Perspective Sylvia Nasar, New York Times

A Legislator's Perspective
Joe Clarke, Speaker of the Kentucky House of Representatives

7:30 am -Conference Lounge REGISTRATION 5:00 pm 8:30 am -Cypress NINTH CONCURRENT SESSION 10:00 am MAJOR FISCAL ISSUES FACING STATE AND LOCAL GOVERNMENTS Ann Rest, Minnesota State Representative, presiding Is the State Fiscal Crisis Over? Steven Gold, Center for the Study of the States **Business Tax Reform** Harley Duncan, Federation of Tax Administrators **Financing Local Government** Sally Wallace, Georgia State University 8:30 am -Dogwood TENTH CONCURRENT SESSION 10:00 am TAX FAVORED INSTRUMENTS FOR RETIREMENT SAVING Larry Ozanne, Congressional Budget Office, presiding 401(K) Plans: New Saving or Relabeled Employer Saving? Leslie E. Papke, Michigan State University Taxes and Increased Investment in Variable Annuities William M. Gentry, Duke University What We Have Learned About IRAs and Saving Larry Ozanne, Congressional Budget Office **DISCUSSANT** Judy Xanthopoulos, Joint Committee on Taxation 10:00 am -**COFFEE BREAK** 10:15 am 10:15 am -**ELEVENTH CONCURRENT SESSION** Cypress 11:45 am

## HOW SHOULD INCOME BE MEASURED IN ANALYZING TAX INCIDENCE?

James St. George, Center on Budget and Policy Priorities, presiding

Distributional Effects of Corrective Taxes

Diane Lim Rogers, Pennsylvania State University and Congressional

Budget Office

Measuring the Burden of Consumption Taxes
Frank Sammartino and Jon Hakken, Congressional Budget Office

Consumption Taxes and Ability to Pay Robert McIntyre, Citizens for Tax Justice

10:15 am -11:45 am

TWELFTH CONCURRENT SESSION

Dogwood

BRIDGING THE GAP BETWEEN ACADEMIA AND STATE POLICYMAKERS
Roger W. Tracy, Ohio Department of Taxation, presiding

The View from the Legislature
Elizabeth Hill, Legislative Analyst, State of California

The View from the Executive Branch
Paul Timmreck, Virginia Finance Director

The View from Academia
Gary Cornia, Brigham Young University

12:00 noon - LU 1:30 pm

LUNCH, ON YOUR OWN

1:30 pm -3:00 pm

THIRTEENTH CONCURRENT SESSION

Cypress

**ECONOMIC DEVELOPMENT COMPETITION IN THE SOUTH**Victor Vernon, Alabama Legislative Fiscal Office, presiding

Incentive Inflation

William F. Fox, University of Tennessee

**A Practical Perspective** 

J. Mac Holladay, Governor's Development Council, State of Georgia

**Economic Development Incentives: A Waste of Taxpayers' Money?**Douglas Woodward, University of South Carolina

1:30 pm -3:00 pm

FOURTEENTH CONCURRENT SESSION

Dogwood

TOLLBOOTHS ON THE INFORMATION SUPERHIGHWAY

Monroe Rosner, Wisconsin Department of Revenue, presiding

Ma Bell, Call Home!

A Taxman's Tour of the Information Superhighway Monroe Rosner, Wisconsin Department of Revenue

**Mapping the Information Superhighway:** 

**Taxation of the Next Generation of Telecommunications Services** 

Thomas A. Steele, Morrison and Foerster, and Walter Hellerstein, University of Georgia Law School

#### **DISCUSSANTS:**

Wayne G. Eggert, AT&T Robert Cline, Minnesota Department of Revenue

3:00 pm -3:15 pm

**COFFEE BREAK** 

3:15 pm -4:45 pm

**COMMITTEE MEETINGS** 

Committee meetings are open to anyone wishing to attend.

#### **EDUCATION IN PUBLIC FINANCE**

Fenwick

Ronald C. Fisher, presiding

**Using Technology in Teaching Public Finance** 

Eleanor Craig, University of Delaware

The Role of Macroeconomics in Public Finance Classes and Texts
David N. Hyman, North Carolina State University

The NTA Book Exhibit

Eleanor Craig, University of Delaware Marion Beaumont, California State University, Long Beach

NTA Education Seminar Proposal: Government Finance and Tax Policy for Journalists and the Media

Ronald C. Fisher, Michigan State University

#### **FEDERAL TAXATION AND FINANCE**

Dogwood

Michael J. McIntyre, presiding

Panel on International Aspects of Formulary Apportionment After Barclays

Michael J. McIntyre, Wayne State University Law School, presiding

(Title to be Announced)

Richard D. Pomp, University of Connecticut School of Law

**Allocating International Business Income:** 

By Formula or by Comparable?

Martin Sullivan, American Enterprise Institute

(Title to be Announced)

Barbara Rollinson, U. S. Department of the Treasury

#### INTERGOVERNMENTAL FISCAL RELATIONS

**Edmunds** 

Federalism in the 1990's: The Power of the Middle Class Jack Suyderhoud, presiding

The Moderating Power of the Middle Class
John Shannon, The Urban Institute

**Evaluation of the Recent Move to Centralize Public Schools in Michigan** 

Ronald Fisher, Michigan State University Robert Wassmer, Wayne State University

The Implications of Globalization for Fiscal Federalism Jack Suyderhoud, University of Hawaii

#### PROPERTY TAXATION

Hampton

Joan Youngman, presiding

What is the Base for Today's Property Tax?

Income Based Property Taxes: Current-use Provisions for Farms, Forests, and Open Space

Jane Malme, Lincoln Institute of Land Policy

New Developments in Land Taxation: Graded Taxes and Site Value Taxation

Robert M. Schwab, University of Maryland

The Property Tax in California: Acquisition Value Taxation and Parcel Taxes

Marion S. Beaumont, California State University, Long Beach

Intangible Property in the Real Estate Tax Base: The Case of Public Utilities

Joan Youngman, Lincoln Institute of Land Policy

## TAXATION OF FINANCIAL INSTITUTIONS, PRODUCTS, AND SERVICES

Gadsden

Thomas S. Neubig, presiding

Roundtable on Issues in Taxation of Derivatives and Other New Financial Products

6:30 pm - 7:30 pm

RECEPTION

**Grand Hall** 

7:30 pm

**BUFFET DINNER** 

Willow

**Entertainment** 

Provided by Local Arrangements Committee "Four of a Kind"

#### **CONFERENCE COMMITTEES**

#### **PROGRAM**

#### CHAIR

Steven D. Gold, Rockefeller Institute, SUNY Albany, NY

#### **MEMBERS**

Rosanne Altshuler, New Jersey
Corina Eckl, Colorado
Mary Jane Egr, Illinois
Yolanda Kodrzycki, Massachusetts
Therese McGuire, Illinois
Larry Ozanne, District of Columbia
Monroe Rosner, Wisconsin
Joel Slemrod, Michigan
Robert Strauss, Pennsylvania
Robert Tannenwald, Massachusetts

#### LOCAL ARRANGEMENTS

#### CO-CHAIRS

- A. Crawford Clarkson, Jr., South Carolina Department of Revenue
  - S. Hunter Howard, Jr., South Carolina Chamber of Commerce

#### **MEMBERS**

Davis R. Brown, Jr., South Carolina Department of Revenue E. Gregory Frampton, South Carolina Department of Revenue Diane C. McNeill, South Carolina Department of Revenue James M. Waddell, Jr., South Carolina Department of Revenue

#### OFFICERS AND BOARD OF DIRECTORS

#### **ELECTED OFFICERS**

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FIRST VICE PRESIDENT
Sandy J. Navin, General Mills, Inc., Minneapolis

SECOND VICE PRESIDENT
Emil M. Sunley, International Monetary Fund, Washington

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Janet L. Staton, National Tax Association, Columbus

TREASURER
John D. Hogan, Georgia State University, Atlanta

PAST PRESIDENTS

Gerald D. Bair, Iowa Department of Revenue & Finance, Des Moines
F. E. Wells, The Procter & Gamble Company (Retired), Cincinnati

#### **ELECTED MEMBERS**

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Rosanne Altshuler, Rutgers University, New Brunswick
Marion S. Beaumont, California State University, Long Beach
John H. Bowman, Virginia Commonwealth University, Richmond
James M. Bridge, Union Electric Company, St. Louis
Edmond J. Downing, Philip Morris Management Corporation, New York
Wayne G. Eggert, AT&T, Parsippany
Steven D. Gold, Center for the Study of the States, Albany
Billy Hamilton, Office of Texas Comptroller of Public Accounts, Austin
Rosemary Marcuss, Congressional Budget Office
M. D. Menssen, 3M Company, St. Paul
James R. Nunns, U. S. Department of the Treasury, Washington
Leslie E. Papke, Michigan State University, East Lansing
Danny M. Payne, Virginia Department of Taxation, Richmond
Roger O. Tew, Utah State Tax Commission, Salt Lake City

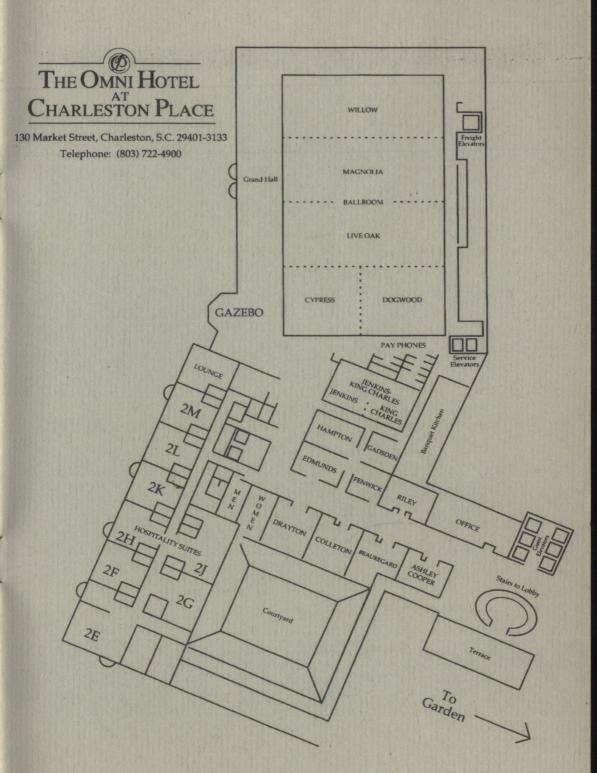
#### **HONORARY MEMBER**

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#### Notes

