

# NTA Forum

Perspectives, Ideas and News from the National Tax Association

Number 20, Winter, 1995

## The Tax Expenditure Concept After 25 Years

by Helen F. Ladd

Visiting Fellow, The Brookings Institution and  
Professor of Public Policy Studies, Duke University

More than 25 years ago, Stanley Surrey, a well known tax administrator and professor at Harvard Law School and also former president of the National Tax Association, introduced the concept which is the subject of my talk today, the concept of tax expenditures.

When I was first exposed to the concept of tax expenditures in the early 1970s, I found it a compelling and powerful idea, and in some ways I still do. In particular, I was excited by the prospect that such an apparently simple and obvious concept might open up a whole new way of thinking about the tax system that could potentially lead to some dramatic changes. I was clearly not alone in finding the concept powerful. For example, in 1988 Richard Pomp called it a "powerful analytical tool that has revamped traditional ways of viewing a tax system" and in 1979 a Canadian former cabinet minister labeled the concept "the major innovation in tax and public finance during the last twenty or thirty years". However, although



Helen F. Ladd

the listing of tax expenditures is now common procedure at the federal level and in many states, the concept has clearly not fulfilled the vision of Surrey and others of generating a major transformation of budgetary, tax policy and administration. My main goal today is to

evaluate the tax expenditure concept in light of 25 years of experience.

I begin with a brief overview of the status of tax expenditure reporting at both the federal and state levels. I then focus on the evaluation of tax expenditure analysis—1) as a reporting and accounting tool, 2) as a pathway to tax reform, and 3) as a way to achieve budgetary control. I conclude, first, that despite a number of shortcomings related to implementation, tax expenditure reporting is decidedly appropriate and useful as an accounting concept. Second, contrary to Stanley Surrey's hopes and expectations, tax expenditure analysis has been close to a complete failure as a pathway to tax reform. And third, it has been only marginally more successful as a tool of budget control. Despite some of its limitations, I remain a supporter of tax expenditure reporting and analysis, but without Stanley Surrey's passion, commitment to, and optimism about tax expenditures as an engine of tax reform.

(continued on page 2)

*This is a condensed version of the presidential address to the National Tax Association on November 13, 1994 in Charleston, South Carolina. A complete version of the paper, including references and endnotes, will appear in the Papers and Proceedings of the 87th Annual Conference. The author thanks the following for their thoughtful comments on an earlier draft: Henry Aaron, William Gale, Rosemary Marcuss, Andrew Reschovsky, Pearl Richardson, Fritz Stocker, Emil Sunley, and Joseph White.*

## Applications Invited for Position of NTA Executive Director

The National Tax Association is seeking an innovative, energetic, responsible person to serve as its executive director on a half-time basis. The new executive director will work in a staff capacity with NTA's Board of Directors in establishing the focus and direction of the Association for the coming years.

Selection criteria include (1) leader-

ship skill and ability, (2) organization and administrative skills, including budgeting, (3) ability to plan and manage conferences, (4) communication skills, and (5) networking skills. Familiarity with tax theory, practice, and policy is essential.

Location of the executive director's office is open. It is likely, however, that

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*NTA Forum* is a newsletter containing viewpoints, ideas and news from the National Tax Association, a nonpolitical, nonpartisan, not-for-profit organization devoted to advancing understanding of the theory and practice of taxation at all levels of government.

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## **Current Status of Tax Expenditure Reporting**

As defined in the Budget Act of 1974, tax expenditures are "... those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption or deduction from gross income or which provide a special credit, a preferential rate of tax or a deferral of tax liability" (P.L. 93-3, sec. 3(a)(3)). Of course, the concept of special exemptions or credits is meaningful only with respect to a baseline tax structure.

Consistent with the law, both the U.S. Treasury and the Joint Committee on Taxation have produced annual estimates of tax expenditures related to the individual and the corporate income tax since 1975. In addition, the Treasury lists tax expenditures related to estate and gift taxes. However, because they use different baseline tax structures, their lists of tax expenditures differ slightly. The Joint Committee on Taxation defines tax expenditures with respect to a normal income tax structure patterned on a comprehensive income tax. The Treasury, in contrast, uses a reference tax as the baseline and limits tax expenditures to special exceptions in the tax code that serve programmatic functions. Starting with the 1982 budget, the Treasury complicated the situation further by adding a set of outlay equivalents which more accurately measure what comparable expenditure programs would cost. Although a conceptual step forward, these outlay equivalents may make the tax expenditure concept even more confusing to policymakers.

Tax expenditure reporting is complicated further by the hazards of aggregating estimates of individual tax expenditures into totals, either by functional category or overall. The problem here is that the individual items interact with one another so that the removal of one tax expenditure may increase or decrease the revenue loss from another. Only by ignoring this aggregation problem can I say anything at all about the trends in federal tax expenditures relative to the other two main components of the budget, discretionary spending, and mandatory spending. As shown in

the chart, between 1975 and 1987, the reported sum of federal tax expenditures grew faster than either discretionary spending or entitlement spending so that in 1987 tax expenditures actually exceeded direct discretionary spending. The Tax Reform Act of 1986 then dramatically reduced tax expenditures. Since 1989, tax expenditures have been growing in real terms faster than discretionary spending, but noticeably less fast than entitlements.

At the state level, California was the first state to adopt legislation calling for a tax expenditure report and published its first one in FY 1976. As of today, 17 states have relatively comprehensive tax expenditure reports. An additional 13 states have reports that are partial or are produced intermittently. Unlike the federal report which historically has focused on the individual income and the corporate income tax, the state reports typically cover a broader set of taxes, including general and selective sales taxes, and in some states, the local property tax. As of 1985, most of the states with tax expenditure reports listed between 150 and 300 tax expenditures in contrast to about 135 at the federal level. For many of these categories, the state had never before collected the data and in many cases the data had to be developed from scratch.

To summarize, in one sense, we have come a long way with respect to tax expenditure reporting. The concept has been enshrined in federal law and many state governments have adopted tax expenditure reports. But a closer look suggests that the picture may not be quite so rosy as this description suggests and the full potential of tax expenditures as an analytical tool has not been achieved.

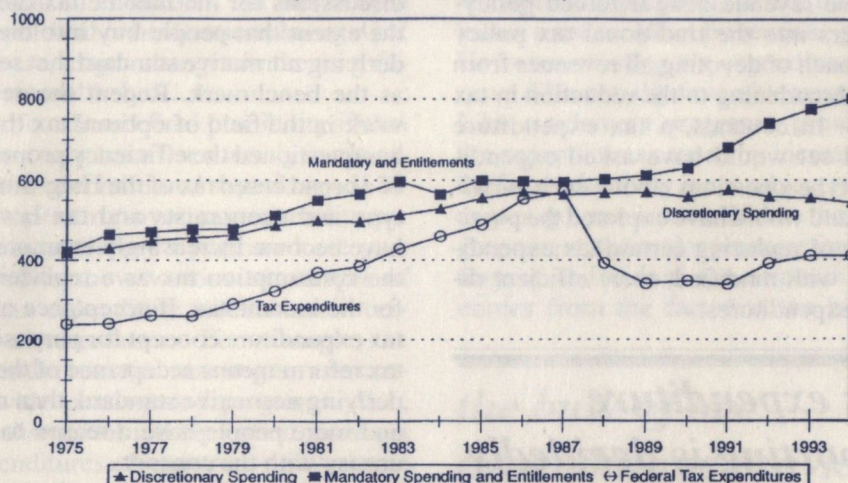
## **Tax Expenditures as a Budgeting and Accounting Tool**

The most striking fact about tax expenditures is that they are taxes that are neither assessed nor collected. Putting aside for a moment the difficulties involved in measuring something that is not collected, the first question is do we need to account for them at all? The answer depends on the function of the public accounting system. Historically, its primary function was one of control.



## Spending Trends 1975-1994

(in billions of 1994 dollars)



Sources: Discretionary and Mandatory/Entitlements Spending data taken from United States, Congressional Budget Office, *The Economic and Budget Outlook: Fiscal Years 1995-1999*, USGPO, 1994, pp. 29,92. Federal Tax Expenditure estimates taken from United States, Congress, Joint Committee on Taxation, *Estimates of Federal Tax Expenditures*, annual.

Note: All figures are deflated by the 1994 GNP implicit price deflator.

When individuals were giving up resources to the public sector, they presumably had a right to know how their funds were being spent. By this logic, tax revenues and the spending they financed had to be accounted for. In contrast, when tax provisions lead to taxes not being collected, nothing is being taken from individuals, and therefore there is nothing to account for.

However, if one takes a broader view of the functions of a public accounting system, as I do, a different conclusion emerges. In particular, if the function is to document the impacts of the public sector on the economy, and one accepts Surrey's crucial insight that many provisions of the tax code are functionally equivalent to expenditures, then it is clearly desirable to account not only for taxes that are collected but also for many of those that are not collected. Moreover, such taxes not collected should be accounted for in the same way we account for public expenditures, namely grouped by functional spending category.

More generally, the concept of tax expenditures represents only a partial response to the larger problem of an outdated division of accounts into spending and taxes. Historically, when the main function of government was

the provision of goods and services, the distinction between spending and taxes was relatively clear cut. With so much of government spending now in the form of transfers rather than purchases, the distinction between taxes and spending is blurred.

Perhaps, we should follow the suggestion made by Neil Bruce in his 1988 summary of a Canadian conference on tax reform for a four-part grouping which would replace our current three part grouping of spending, taxes, and tax expenditures. The four groups would be defined by the following four objectives: 1) revenue raising 2) purchases of goods and services for government use 3) transfers of purchasing power, or goods in kind, for distributional purposes, and 4) providing economic incentives by altering relative prices. The latter two categories would include both tax and spending provisions. Thus, what we now call tax expenditures would be reclassified into two subgroups and paired with appropriate direct spending programs in those areas. I have no illusions that this approach would be easy to implement. As a starting point, we would need to rethink Surrey's original decision, which has been maintained, to define the graduated rates for the income tax as part of

the basic tax structure rather than as a provision to redistribute income.

Even this four-part reclassification would not provide a complete accounting of the impact of the public sector on the economy. Like taxes not collected, government regulation and unfunded mandates also affect the economy as do a variety of implicit taxes associated with redistributive programs, provisions that Eugene Steuerle has labeled "expenditure taxes".

However, the observation that the tax expenditure concept does not solve all the problems of public sector accounting should not detract from the validity and potential power of tax expenditures as an accounting concept. Of greater concern in practice is the difficulty of measuring tax expenditures. The key problem is the specification of the benchmark tax system, departure from which defines a tax expenditure. Even if one accepts the Haig-Simons normative standard as Surrey did, one has to make lots of compromises and pragmatic decisions such as how to treat unrealized capital gains or imputed income from owner occupied housing. If one rejects the Haig-Simons standard or focuses on taxes other than the income tax, defining the benchmark becomes somewhat arbitrary, but, I would argue not unmanageable.

In sum, it makes a lot of sense to account for taxes not collected and I find Surrey's term for such tax provisions, tax expenditures, extremely useful. In my view, the term tax expenditure is far better than the more pejorative term, tax loophole, and more descriptive than the term, tax preference. Some conservatives object to the term tax expenditure *budget* because of its implication of governmental control over revenues that it has no claim over. I find myself in some sympathy with this objection, but it can be easily dealt with by forgoing the term budget in favor of a more neutral term such as tax expenditure report.

### Tax Expenditure Analysis as a Pathway to Tax Reform

As spelled out eloquently, forcefully, and passionately in his book, *Pathways to Tax Reform*, Stanley Surrey hoped that his new approach would lead to the



ultimate elimination or replacement of most tax expenditures. The themes of the book were clear: 1) that, although many tax provisions function like spending programs, they are not subject to the same scrutiny as direct spending programs 2) that most tax expenditures are inherently unfair because they typically generate more benefits to higher income than to lower income households 3) that direct spending programs are almost always preferable to tax expenditures, and 4) finally, that most tax expenditures should be eliminated or replaced with more effective spending programs.

From today's perspective and the observation that most tax expenditures are alive and well, I was somewhat surprised as I reread Surrey's 1973 book at the strength of his opposition to specific tax expenditures. His argument was clearly not simply that it makes sense to evaluate tax expenditures as expenditure programs so that tradeoffs can be made between direct spending programs and tax expenditures. Instead, he went the next step of doing the analysis and concluding forcefully that most tax expenditures were undesirable and should either be eliminated outright or replaced with a direct spending program. By drawing attention to tax expenditures, he clearly hoped to reform the tax system, where reform meant simplifying the federal income tax to focus on its main goal of revenue raising and bringing the tax base in line with the Haig-Simons concept of comprehensive income.

A review of the evidence suggests that Surrey's aspirations for tax expenditure analysis as a tool of tax reform have not been met. One circumstantial piece of evidence is the growth in U.S. tax expenditures over time and, in particular, the new tax expenditures that were included in the 1981 Tax Act. But what, you might ask, about the Tax Reform Act of 1986 which eliminated or modified at least 10 major tax expenditures and indirectly affected the revenue losses from others by reducing marginal tax rates? On the one hand, previous analysis of specific tax expenditure provisions showing that particular subsidies were poorly targeted, excessive, or

unnecessary undoubtedly influenced which provisions were cut or modified. On the other, the constraint that the 1986 Act be revenue neutral forced policy-makers into the traditional tax policy approach of devoting all revenues from base broadening to the reduction in tax rates. In contrast, a tax expenditure mind set would have asked expenditure-type questions about each provision and would have explored the possibility of replacing certain tax expenditures with modified, more efficient direct expenditures.

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Another type of evidence comes from the state of California. In its 1983-84 report, the California Department of Finance recommended eliminating the 10-year old requirement to report tax expenditures. The first reason they cited was that the legislature had ignored over 90 percent of the recommendations for repeal of specific tax expenditures made by the Department over the previous 10 years and that special interest groups had continued to be effective in securing the enactment of new tax expenditures. In fact, some people believed that the publication of the reports had stimulated the demand for new tax expenditures. Although the California legislature responded by setting up legislative structures and procedures for regular review of tax expenditures, it still remains difficult in California to reduce or eliminate them.

While I make no claims for the completeness of this evidence, I personally am persuaded that, contrary to Surrey's view, the tax expenditure concept has not been the route to significant tax reform in the past and is not likely to be in the future. Is this outcome surprising? I think not, for four interrelated reasons.

The first reason is that tax expenditure items constitute an appropriate list of items for the purposes of tax reform discussions for the income tax only to the extent that people buy into the underlying normative standard that serves as the benchmark. Recent theoretical work in the field of optimal tax theory has questioned the efficiency properties of a broad based tax of the Haig-Simons type and economists and tax lawyers have become increasingly enamored of the consumption tax as a replacement for the income tax. If acceptance of the tax expenditure concept for purposes of tax reform means acceptance of the underlying normative standard, then more and more people have a reason to feel uneasy with the concept.

An alternative explanation starts from a more political perspective. According to this perspective, the tax system is the equilibrium outcome of a political process. Even if tax provisions are relabeled as spending items, there is often little incentive for anyone to try to change them. The political problem is exacerbated by the fact that the bulk of tax expenditures provide benefits to large groups of middle class taxpayers. The biggest tax expenditure items include, for example, deductibility of mortgage interest on owner-occupied housing, net exclusions of pension contributions, exclusions of employer contributions for health insurance premiums, exclusion of the bulk of social security benefits, and deduction of state and local income and property taxes. Eliminating any of these provisions in the name of tax reform is unlikely to be politically popular.

A third explanation deals with institutions and battles over political turf. Particularly problematic in the U.S. federal context, for example, is the fact that converting a tax expenditure into a direct spending program would require the tax writing committees to surrender jurisdiction to other committees. During the early 1980s, Canada tried to address the institutional challenge by setting up 9 envelopes of spending categories that included both direct expenditures and tax expenditures. The Canadian system was designed to force ministers to make tradeoffs between the two



forms of spending. But, for a variety of reasons, the system did not last long. Clearly some form of institutional mechanism is needed, but turf battles and political considerations being what they are, major changes in the near future are unlikely.

A fourth and final possibility is that Surrey may have been wrong in claiming the unconditional superiority of direct spending over tax expenditures. Critics of Surrey's position have purported to show various advantages of the tax expenditure mechanism in certain circumstances. For example, tax expenditures minimize stigma associated with means-tested programs. Also, the absence of red tape often gives tax expenditures administrative advantages over direct subsidies. Even more compelling is the political economy argument that tax expenditures are often popular because they resolve the conflict between the liberals' desire to have the government do something and conservatives' inherent belief in the market mechanism. Recent support for the expansion of the earned income tax credit to help low-income workers but not for welfare spending illustrates the power of this argument. In sum, many tax expenditures are likely to be hard to dislodge because they serve an important political economy role.

### **The Concept of Tax Expenditures as a Budget Control Tool**

The identification of tax expenditures serves as a tool for controlling budgets and deficits by broadening the set of options considered for deficit reduction. Thus, in addition to considering spending cuts or tax rate increases as a means of reducing deficits, policymakers can also consider reducing tax expenditures, which reduce the deficit by generating more tax revenue. The routine inclusion of many tax expenditure items on the Congressional Budget Office lists of options for deficit reduction confirms their role in national budgetary debates. Similarly at the state level, reductions in tax expenditures are often discussed as a revenue source. In neither case is the potential of the concept fully developed.

Current federal budgetary proce-

dures appropriately subject new or expanded tax expenditure programs to the pay-as-you-go requirements of other direct spending programs in that revenue losses must be offset by revenue gains. However, existing tax expenditures receive differentially favorable treatment. Like entitlement programs, growth in tax expenditures caused by increases in the favored activity is not subject to pay-as-you-go provisions. Within the budget process, the major pressure for scrutiny of individual tax expenditures comes from the fact that the budget

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### *the bulk of tax expenditures provide benefits to large groups of middle class taxpayers.*

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committees stipulate a minimum level of revenue the tax committees must raise. Various proposals for mechanisms to limit or roll back the aggregate amount of tax expenditures have been discussed but, for a variety of reasons, typically receive little support. One basic problem is the difficulty of aggregating individual tax expenditure items into a total to be capped.

Even greater barriers exist in some states, as is illustrated by California. In that state, tax increases require a 2/3 favorable vote. Hence, because a reduction in tax expenditures is treated as an increase in taxes rather than a cut in spending, it is harder to cut tax expenditures than it is to cut direct spending. This 2/3 requirement plus other characteristics of tax expenditures have meant that during recessions and periods of budget deficits, the system is biased toward cuts in direct spending and away from cuts in tax expenditures.

In summary, the identification of tax expenditures helps make them, along with direct expenditures, fair game for cuts in times of budgetary shortfalls. However, because they are still typically treated more like provisions of the tax

code than like direct expenditures, they continue to be harder to cut than direct spending. I support the recent GAO report and a forthcoming report on state tax expenditures pushing for greater scrutiny of tax expenditures especially in times of budgetary shortfalls.

### **Conclusions**

My first conclusion is that the tax expenditure concept is extremely useful as a conceptual tool for addressing a major component of government activity. Because these special tax provisions are functionally similar to direct spending, we need to keep track of and to scrutinize them despite the fact that no taxes are collected. Hence, I would encourage those states without tax expenditure lists to invest some resources in identifying and measuring tax expenditures. To conserve resources, states may want to identify all tax expenditures but attach dollar values only to the largest ones. Such lists should not be oversold as the panacea to budgetary or tax structure problems. Nonetheless such an investment should serve to improve the capacity of state officials to understand and analyze their tax and spending systems.

My second conclusion is that, contrary to Surrey's hopes and aspirations, most tax expenditures themselves are here to stay. Some are hard to dislodge because they provide benefits to broad groups of people and others because they reflect the will of a powerful coalition of liberals who want to do something and conservatives who want to work through private market. As a consequence, we might as well accept the fact that we will never achieve Surrey's goal of a tax system that serves only the revenue raising goal. Somewhat ironically, the fact that we have not and will not meet his goal of eliminating them is what continues to make the tax expenditure concept so important. Given the strong historical, institutional, and political pressures to continue using the tax system not just as a revenue-raising device, but also as a policy tool, it is essential that we have a way to account for and to scrutinize the special provisions that provide incentives or subsidies to particular activities or groups of individuals. ♦



## Nominating Committee Invites Suggestions

The NTA Nominating Committee, chaired by Past-President F. E. Wells, invites suggestions for nominees for the NTA Board of Directors and for the position of Second Vice President.

Nominations will be made for five members to serve three-year terms on the Board of Directors. To maintain the traditional balance among the various constituencies that make up NTA, this year two of these nominees will be from the academic community, two from government, and one from the corporate or practitioner sector.

The person nominated for Second Vice President, if elected, will normally move up the ladder to become NTA President two years later. In the traditional rotation, this year's nominee will come from the corporate/practitioner community.

Serving with Wells on the Nominating Committee are Past-President Gerard M. Brannon and, through election by the NTA Board of Directors, James

Nunns (Office of Tax Analysis, U.S. Treasury), William B. Modahl (Digital Equipment Corp.), and Gary C. Cornia (Brigham Young University).

Suggestions for nominations may be submitted to any member of the Committee or mailed to the Committee c/o the NTA office. The Committee will submit its report around June 1, 1995. ♦

## Revised Conference Schedule Under Consideration

The schedule for the recent annual conference in Charleston departed from past custom. Instead of the usual Monday morning start, a full slate of conference sessions was scheduled for Sunday afternoon, November 13. Sessions continued all day Monday and Tuesday. The conference ended Tuesday evening with a gala banquet and entertainment. Unlike previous years, no sessions were scheduled for Wednesday morning.

This schedule appears to have met with general approval. Attendance at conference sessions was generally good, and the Tuesday evening banquet was a big success.

It has now been suggested that it would be even better if the conference were to begin with sessions Thursday afternoon, continuing all day Friday and Saturday and ending Saturday evening. Academic members believe this format would fit better with teaching schedules. It would of course retain the airfare advantage of a Saturday night stay-over.

The Board of Directors would like to know what our members think of this idea. Please write, phone, or fax your comments to Fritz Stocker at NTA headquarters.

If this proposal has general support, the earliest it can be implemented (because of existing hotel commitments) will be the 1997 conference, which is tentatively planned for Chicago either November 6-8 (Thursday through Saturday) or 9-11 (Sunday through Tuesday). ♦

## Committee Begins Search for New Executive Director

NTA President Sandy Navin has appointed an eight-person Search Committee to seek and evaluate applications for the position of NTA executive director. The position announcement, containing details on how to apply, appears elsewhere in this issue.

Navin will chair the Committee. Serving with him will be NTA First Vice President Emil Sunley, Second Vice President William F. Fox, Past Presidents Gerald D. Bair, Helen F. Ladd, and F. E. Wells, plus Board of Directors members Rosemary Marcuss and Steven Gold.

The Committee's timetable calls for applications to be reviewed during February and March, with a decision to be made during the month of April and the appointment to be submitted to the Board of Directors for approval at its May meeting. ♦

## Transportation Finance Issues to be Examined

NTA will present a panel on "Current Issues and Options in Financing Surface Transportation" at the meeting of the Eastern Economic Association in New York, March 17-19.

Among the topics to be discussed are Alternatives to the Motor Fuel Tax, Congestion Pricing, and Efficiency and Equity in Taxation of Commercial Vehicles.

Panelists and the exact time and place for the NTA session will be announced later.

The NTA session has been arranged and will be chaired by Ranjana Madhusudhan, of the New Jersey Division of Taxation, who can supply more detailed information as it becomes available. Her telephone number is 609-292-9648.

Registration information may be obtained from Carla Scott, at the EEA office, Ph. 401-232-6470, or FAX 401-232-6720. ♦

## NTA Information Retrieval Service

The NTA Information Retrieval Service is STILL available at moderate cost. The service allows NTA members to access tax topics of all types, from journal articles, dissertations, books, government publications, court opinions, news articles, conference papers, etc.

The NEW phone number is 614-436-2459

Just call this number and identify yourself as an NTA member to receive your 20% discount. A professional researcher will help you define and limit your search, which will result in a bibliographical listing. You can then choose the items you want to retrieve. These documents can then be acquired by you or by the retrieval service—your choice.

For more information phone the above number or NTA headquarters.



## New Members

The Association is pleased to welcome the following new members who have joined between October 1 and November 30, 1994.

NAME	STATE OR COUNTRY
Buyink, W.	The Netherlands
Carnegie-Mellon University Library	PA
Charri, Priya	MI
Dartmouth College Library	NH
Dhakal, Keshar Kumar	Nepal
Grisham, James	FL
Hineline, Richard	FL
Holt, Stephen F.	ME
Hoxby, Carolyn Minter	MA
Howard, Marcia	DC
Ikoba, Jonathan	IA
Jasienczyk, Philip	TN
Kayser, Hilke	NY
Lacerna, Grace Evelyn	Philippines
LaPlante, Josephine	OR
Marais, G.	South Africa
Mooney, Mark	OK
Murray, Sheila	MD
Pollack, Sheldon	PA
Queen's University Library	Canada
Stock, Craig	PA
Rai, Harishchandra	Nepal
Shrestha, Subarna	Nepal
Sittig, Gail	FL
Stephenson, Eugene Franklin	NC
Tamfuh, Rose	TX
Texas Women's University	TX
Udell, Michael	MD
Uimonen, Peter	MD
Weiss, Ira	IL
Winters, Richard E.	NH

## Plans Shaping Up for NTA Internet Hookup

The Fall issue of the *NTA Forum* invited member comments on the proposal to establish an NTA internet connection to facilitate professional and Association related communications.

Responses having been unanimously supportive of the idea, it has been decided to push ahead. Several decisions will be made soon: whether such a system should be open access (accessible by anyone) or accessible only to members; and whether it should be designed primarily for researchers or for a broader audience including practitioners and policy analysts.

The Internet would make possible almost instantaneous dissemination of information of all sorts, including copies of conference papers, Association notices, meeting agendas, calls for papers, working papers, data sets, and inquiries from and to researchers. It would also facilitate dissemination of the Association's annual survey of Research in Progress on Taxation and Public Finance Topics.

Suggestions and comments are welcome. Address them to the committee chair, Prof. Charles Christian. His e-mail address is [charles.christian@asu.edu](mailto:charles.christian@asu.edu), or you can write him at ASU, Tempe, AZ 85287-3606. ♦

## Applications, (continued from page 1)

the Association will maintain its administrative functions in Columbus, Ohio, for the foreseeable future. Staff support will be provided.

Background information on the Association and its activities is available on request.

The compensation package is in the range \$30,000 to \$60,000, depending on qualifications and on location. Starting date is flexible.

Applications should be sent to CHAIR, SEARCH COMMITTEE, c/o NTA headquarters, and should include a cover letter, resume, and salary history, together with a statement of several pages on what the applicant would propose to try to do with NTA if selected. The cover letter should address the applicant's qualifications with respect to each of the selection criteria. Screening and evaluation of applications will begin February 1, with a decision targeted for May 1.

The National Tax Association is an equal opportunity employer; women and minority candidates are strongly encouraged to apply. ♦

# NTA

Dedicated to advancing understanding of the theory and practice of taxation at all levels of government

## We invite you to join us in our work

### APPLICATION FOR MEMBERSHIP

NATIONAL TAX ASSOCIATION  
5310 East Main Street, Columbus, OH 43213

I wish to become a member of the National Tax Association.

My check for \$\_\_\_\_\_ is enclosed for the payment of annual dues. I understand that \$50.00 of my dues (\$55.00 for foreign members) covers the subscription cost of *The National Tax Journal*, and that I will receive the *Proceedings of the Annual Conference*, the *NTA Forum*, and all other publications of the Association at no additional cost.

Sustaining Member	\$ 500.00 or more
Corporation or Government Agency	\$ 300.00*
Professional, corporate employee, others	\$ 120.00
Library	\$ 100.00
Government employee or academic	\$ 70.00
Full-time student or inactive retiree	\$ 15.00

\* Allows up to three individuals in case of corporations, up to five in case of government agencies.

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## 25 Years Ago with the NTA

### The Role of the News Media in Tax Reform

"The news media are simply not equipped to handle tax questions. Taxation is a complicated business and some knowledge of law, economics, and accounting is necessary to deal competently with the subject. How many media representatives do you know who have formal training in any of these subjects, let alone all three? It's not surprising that tax issues are often terribly garbled by the media.

"I don't say that every financial journalist needs to go back to school. I do say, however, that many journalists need the help of skilled professionals if they are to make sense out of a tax story. Corporate executives have "house counsel" to advise them on tax decisions. Why shouldn't major news services have similar experts on hand or on retainer so that reporters have unbiased counsel on complicated tax issues?

"Until some way is found to give reporters the professional help they need to really dig into a tax story, the media will all too frequently get the story wrong — or fail to get the story at all. That's serious, because if the media fail to get the story, the public fails to get it too."

*Thomas F. Field, Executive Director, Taxation With Representation, in a Panel on "The Process of Tax Reform" at the Sixty-Third Annual Conference on Taxation, Honolulu, HI, September 20-25, 1970.*

## Future NTA Annual Conferences

October 8-11, 1995

San Diego, CA

Doubletree Hotel

November 10-12, 1996

Boston, MA

Boston Park Plaza Hotel

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