Tax Systems Conference

The year 2014 was one of the busiest conference years for OTPR. In our July 2014 newsletter, we wrote about the Subnational Government Competition Conference and M-TAXI. In October, we partnered with the Centre for Business Taxation (CBT) in the Said Business School at the University of Oxford to bring together leading academic economists and accountants to explore the topic of tax systems. The scientific committee consisted of Michael Devereux (University of Oxford), Henrik Kleven (London School of Economics), Wojciech Kopczuk (Columbia University), and Joel Slemrod (University of Michigan). We would like to express our deepest thanks to Clare Ruthven-Stuart and Harriet Montague from the CBT, who helped to make this event possible.

Approximately 60 people attended the conference held at the University of Oxford that included presentations on positive topics such as tax evasion and enforcement, tax avoidance, the multiple costs of collecting taxes, and the elasticity of tax bases. In addition, presentations addressed normative questions such as the optimal setting of multiple tax instruments — including non-standard ones such as the extent of information reporting and public disclosure — optimal observability and complexity, line drawing, and the role of firms in tax systems.

Conference participants hailed from ten different countries — Australia, Belgium, Denmark, Finland, Germany, Israel, The Netherlands, Norway, the United Kingdom, and the United States — representing many different institutions, such as the European Commission, HM Revenue and Customs, Institute for Fiscal Studies, Max Planck Institute for Tax Law and Public Finance, U.S. Department of Treasury, and Harvard Law School, to name a few. All of the sessions (and breaks!) generated rich conversation. In the last session, Joel Slemrod did his best to summarize what was accomplished throughout this conference and laid out his view on the research agenda that should be considered for the future. A summary of Professor Slemrod’s remarks can be found here.

From left to right: Christian, Joel, and Peer

Gaëtan and Annette

Nadja, Kaisa, and Jani-Petri
Alumni Dinner 2014

One of the highlights on the OTPR calendar is the Alumni Dinner held during the NTA Annual Conference each year and this past year was no exception. However, I am sure you are wondering why on earth there is a picture of a VERY flat tire in this section of the newsletter. Well, if you haven’t heard the story, stay tuned. Even if you have heard the story, this is one that is going to be embellished for years to come!

Back to the dinner – we will never forget Jim Hines’s rendition of “Do You Know the Way to Santa Fe?” or how tightly we were all cramped into the Cowgirl Restaurant!!! Nonetheless, the photos below tell the story of a very fun night with the best group of people!

“Do you know the way to Santa Fe?”
—Jim Hines
OTPR’s alumni group continues to grow every year and it is obvious when one sees the attempts for group photos each year!
Now, to the tire story. Last winter, and this winter as well, we have experienced some serious cold snaps that have affected a large part of the country. One of those occurred during last year’s NTA meetings. We woke up on Sunday morning in Santa Fe to a snow-covered ground and very icy roads. In fact, our shuttle to the airport was late for that very reason.

The Santa Fe airport is not a large one so we knew that checking in probably wouldn’t take very long; however, the two flights (American Airlines to Dallas and United Airlines to Denver) were both delayed. After a while, we left the gate area to get something to eat (the delay was so long that they eventually made everyone move from the gate area). We leisurely ate breakfast and just waited. Finally we were told to hurry, get in line, and go through security again. There was a small window of opportunity to take off before the next round of snow hit. (Of course, we have already had to contact the airlines (meaning 45 minutes on hold) to change our flights because we knew we would miss our original connections. BTW, that 45 minutes will be important as the story progresses.)

After both planes were boarded (which actually took about 30 minutes), the captain came on the loud speaker and said that we would need to be de-iced before we could take off. The de-icing had begun on the American flight and so we were just asked to be patient. After about 15 minutes, the captain again made an announcement “You are not going to like this but the de-icing equipment has malfunctioned and we need to de-board both planes!” Our flight had not been cancelled at this point – just delayed. It didn’t take us too long after that to realize that we were not going to get out of Santa Fe by air on Sunday. Mind you, we found out that Albuquerque (the closest airport) was expecting more snow later that day and on Monday. Three of us (Professor Ugo Troiano, PhD student Jacob Bastian, and me) decided that an alternative plan needed to be made. So, we rented a car and decided to drive to Denver. I mean, really, it is only 415 miles from the Santa Fe airport to the Denver airport – a hop, skip, and a jump by car – right? (Believe it or not, we were even considering Phoenix – 480 miles from Santa Fe!)

We all climbed into our car with Jacob offering to drive (I couldn’t find the ignition start and he decided that it might be safer for all of us if I didn’t drive – smart student). We got on the highway and noticed that the roads were really quite icy and snowy – note the picture for clarification! About 25 minutes outside of Santa Fe, the road got very bumpy and we thought it was the road conditions. However, I was starting to think there was something oddly familiar about the sound we were hearing. I mentioned to Jacob that I thought we might have a flat tire. He looked out the window and said “Oh, shoot!” Before I knew it, he was jacking up the car and taking the lug nuts off. Being a rather intelligent woman, I always keep two things with me – my cell phone and my AAA card – for just such situations (except when I’m flying and don’t think I’ll need my AAA card)!

Ugo and I really couldn’t do anything while Jacob was working away except try to keep him safe. So Ugo suggested that we take our luggage and use it in place of flares. We both had red luggage and it helped to warn people to get over into the next lane. Some of those trucks were driving at a not-so-safe speed considering the road conditions and there really was no shoulder for us to have pulled off on. I had kept in touch with my husband throughout all of this and he said that we should check the air in the spare tire – being a very concerned spouse. I politely told him that we were in the middle of New Mexico and there wasn’t a gas station to be found, never mind a tire gauge or air!

Once we got back on the road, we then needed to reschedule our flights once again (we would never make the 4 p.m. departure out of Denver that we had so smugly thought earlier in the day). By now, it is mid-afternoon and Jacob says he only has 13% power left on his cell phone. Ugo and I check ours and we don’t have much more than that. [Note to self: next time you fly, bring your car cell phone charger because you might need it!] I make one more
cell phone call to my best friend, who lives in Colorado Springs, and she says that they can meet us for dinner. What an unexpected blessing! She also found a hotel for us to make reservations at quickly because our long day wasn’t going to be over for a while yet.

We had to leave our hotel at 6 a.m. on Sunday morning and it was after 9 p.m. before we arrived at a hotel in Denver. However, we were safe and it wasn’t snowing there! There was one more piece of excitement on this trip. The following morning we, of course, went to the airport. After going through security at 4:45 a.m., Ugo and I took an escalator up to our gate (Jacob’s flight was at a different gate). Unfortunately, I lost my balance, fell backwards into Ugo, who fell into the person behind him. If Ugo and this other gentleman had not been able to brace themselves, we would have had a domino effect of people falling backwards down the escalator! Being that I have a tendency to try to protect my fractured foot, I hurt my other foot in the process. Poor Ugo. He was running all over the airport (at that unsightly hour) trying to see if he could get me ice or anything else to help. He brought me back chocolate, without knowing that in my world, chocolate solves all problems!

Thank heaven the ending to this story is a good one. We all made our flights and Ugo even arrived back in Ann Arbor in time to teach his afternoon class. This was quite a road trip and I can honestly say that I couldn’t have been with two kinder, thoughtful, people. Thanks Ugo and Jacob for the memories!

P.S. I’m convinced that if Jacob hadn’t changed the tire for us, Ugo and I would have had quite a different story to tell.

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**Why OTPR PhD Students Recommend NTA**

“As a second year I thought it was absolutely fantastic to have the opportunity to attend the NTA conference…it gave me firsthand experience of the level of research required in the field, as well as the variety of topics that are on its frontier at the moment.”

“First, the quality of the OTPR alumni network is extraordinary. The NTAs are the best opportunities to keep in touch with alumni. Michigan alums are invariably enthusiastic and helpful towards current students. Second, it offers a wide exposure [to] interesting topics. For every interesting paper you’ll see presented, you hear about several other related papers in the following discussion. Thus, the conference gives you a greater appreciation for current status of the literature. Third, being enveloped in such a tax heavy environment will accelerate your thinking about current research topics as well as your ability to think of new topics.”

“A few of us that also went last year were saying that we felt like we ‘belonged’ a lot more this year. These meetings are a great way to get our foot in the door, meet fellow economists, and build confidence.”

“I had the chance to meet several faculty over meals...[and others]...whose research was particularly interesting to me, and to get to know a number of young people whom I will encounter again and again over the years as they shape the field. I met job market candidates, other grad students, and young faculty who were particularly easy to connect with and helpful to know...I feel like it really encouraged me to get out there and try things...The “oh, I can do that” moment is priceless motivation.”

“There are a wide variety of sessions offered during the concurrent breakout sessions. As an upper year who already has an idea of my area of research, during almost every breakout I was able to find a session that was somewhat related to my own work – that was fantastic for giving me ideas on how to approach the next steps in my research.”

“(1) Networking. With my own eyes I saw a Michigan job market candidate earn himself at least two interviews at the AAEs – and possibly many more. This is an unbelievable opportunity for students to meet with people that will decide whether they get an interview in January. Take advantage of it.

(2) Building confidence. The NTA annual meeting puts some of the best minds in tax on display. This may at first be intimidating, but I’ve found that after you get used to seeing work on that level, you start to see that you too can contribute. This is a place where you can definitely present your work...”
Starring: OTPR Alumni

OTPR is proud to announce that Lillian Mills (1997 Michigan Ph.D. in Accounting and OTPR alumnus), Accounting Department Chair, University of Texas, Austin, was awarded the American Taxation Association’s highest honor, the Ray M. Sommerfeld Outstanding Tax Educator Award. Mills was recognized for career contributions in the areas of tax-related teaching, research, and service — with the ATA specifically noting her lengthy list of publications, strong relationship with the IRS and other government groups, and her history of service to the academic community. The award was created in 1993 in honor of one of the founding members of the ATA, Ray M. Sommerfeld.

As we have mentioned before, we are always open to hearing about any collaboration ideas you may have regarding projects and/or conferences and to hear of your accomplishments so we can proudly mention them in our next newsletter.

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List of Regents for University Publications

Michael J. Behm
Grand Blanc

Laurence B. Deitch
Bloomfield Hills

Denise Ilitch
Bingham Farms

Andrew C. Richner
Grosse Pointe Park

Mark J. Berstein
Farmington Hills

Shauna Ryder Diggs
Grosse Pointe

Andrea Fischer Newman
Ann Arbor

Katherine E. White
Ann Arbor

Mark S. Schlissel (ex officio)