

## **Tax Research & Decision Making**

**Questions you should be able to answer by the end of the course**  
(You should find this useful during the course and in preparation of the final exam.)

- What are the 14 steps to research as suggested by Professor Nellen? What does each step entail?
- What is the history of the Federal income tax? Why was it necessary to add the 16th Amendment to the U.S. Constitution in order to have an income tax?
- What are the primary and secondary sources of the tax laws?
- What are tax treaties and their relevance? Where can they be found?
- Why does Congress change the tax laws so frequently?
- Why are taxes so complex?
- What are the ten principles of good tax policy as identified by the AICPA and how are they applied to analyze a tax or a tax proposal?
- How does tax legislation get enacted and what documents are produced in the process? How and when is that documentation useful in tax research? What parties are involved in this process? How is the Joint Committee on Taxation "Bluebook" different from a true legislative history?
- Who chairs the House Ways and Means and Senate Finance Committees?
- Where can you find the legislative history (Committee Reports) to a Tax Act or to a particular IRC section?
- Where can you find out what proposed legislation exists? Where can you find the drafter's (Congressman's) explanation to the proposed bill? Where can you obtain the full text of tax bills?
- How is the IRC set up? Why is it important and helpful to know what chapter, subchapter and part you are in when reading a particular IRC section?
- Where do the Treasury Department and IRS fit into the U.S. government? Who heads the Treasury Dept. and the IRS?
- What are regulations, notices, revenue rulings, revenue procedures, announcements, AODs, PLRs, TAMs, technical memorandum (TM), determination letters, ISP papers and Audit Technique Guides? Who issues them? What is their relative authority? Where can they be found? How can you find out if a particular item is still a correct and current interpretation of the law?
- How and when may you obtain a PLR or TAM? Where are the procedures located?
- Why do you rarely see a court case discuss a revenue ruling?
- What is the difference between final, temporary, and proposed regulations? How are regulations labeled (what does T.D. mean)? Where can you find the regulations and their preamble? What is the benefit of reading the preamble to the regulations?
- What is the difference between general/interpretive, and legislative regulations and what is an example of each? Which is given more weight by the courts?
- What is the significance of the number preceding the decimal point in a regulation cite?

- When there are no regulations issued yet, but there have been recent tax law changes to the particular IRC section on which you are relying, what should you look for instead to get more guidance?
- How do tax cases come about?
- Where may a taxpayer start his tax case? What are the advantages and disadvantages of each court? What is the loser's appeal procedure from each court? What authority must a court of original jurisdiction rely on in rendering its decision?
- What is the difference between a regular Tax Court decision and a memorandum decision?
- What are the important features of correct citations to court cases?
- What is an acquiescence or nonacquiescence? What is its significance to your research? How can they be found? What should you do after you notice that the cite to a tax case in the Citator also includes an Acq. or Nonacq.? (find the Action on Decision (AOD) for that case)
- What is an Action on Decision (AOD), where can they be found and how do they impact your research?
- What do per curiam, writ of certiorari, pro se, petitioner, and respondent mean?
- How do you use the CCH and RIA Citators? When should they be used? How do the two systems differ?
- What are headnotes? How are they particularly useful in the RIA tax service?
- How can you find the history of a tax case?
- How are the web-based tax services (CCH & RIA) set up? What are the key ways you can search in these services?
- What is the difference between topical and annotated tax services? When might one be preferable over the other?
- What is a treatise and when would it be useful? What are drawbacks of using a treatise?
- What are some useful tax periodicals? How often are they published? How should they be used in research and continuing education?
- How often should you be reading tax periodicals? (regularly!)
- Other tax tools we studied: How are they used? Where can they be found? When should they be used? - IRS Pub 78, Internal Revenue Manual (IRM), websites
- What are key things to keep in mind when writing an office memo, client letter, or article? (such as know who your audience is)
- What items are you looking for in an IRC section, regulation, ruling or court case to determine if it is on point to your research? How much of it should be discussed in your file memo?
- How would you explain to someone how to apply critical thinking to tax issues?
- What else should you be doing for your client when conducting research for them, besides just finding the "black and white" or yes or no answer?

Other things you learned and should be able to explain:

- how to effectively read and use the IRC, regulations, IRS rulings, court cases, and other primary authority
- how to find explanations for IRC sections in the legislative histories
- how to keep up to date with tax law changes and the importance of doing so
- the types of tax materials available on the Internet
- how to answer questions where you can't find an answer in a service (possibilities depending on the particular section: analogize to a similar issue/topic; check the legislative reasons for the particular code section; apply general principles that all receipts are includible in gross income and expenses are only deductible if there is a specific IRC provision allowing it; see if it is an area in which the IRS would issue a PLR; look for an article on the particular topic; etc.)
- some basic constitutional concepts relevant to state and multistate taxation (such as nexus) and tools available for state tax research
- importance of tax planning and things to consider in assisting clients with tax planning including what the AICPA's SSTS guidance calls for
- importance of proofreading anything you write - don't rely solely on a spell checker; importance of proper grammar and whether you need to work on improving yours
- penalties applicable to taxpayers and preparers; conduct rules governing accountants (California State Board of Accountancy Rules, Circular 230, AICPA Code of Professional Conduct, SSTS, etc.)