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Education: Continuing Education for Taxes

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Education

Editor:

Continuing Education for Taxes

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Continuing education in the field of income taxes is practically a necessity given the continual change in the tax laws. Whether a person is a tax practitioner or an auditor, an up-to-date tax knowledge is required. Despite the wide range of tax programs that are available to practitioners, there always seems to be something that is overlooked. The objectives of this study were to derive a profile of past continuing education tax programs and to determine practitioners' recommendations for future programs.

Backgrounds

A survey of practicing CPAs was conducted to determine their tax backgrounds. The CPAs were also asked for recommendations regarding continuing education programs in the tax field. A total of 325 practicing CPAs responded to the questionnaire survey. All respondents were members of the AICPA. Approximately 86% worked in public accounting, 5% in industry, 5% in government, and 4% other. Fifty respondents (15%) stated that they worked in the tax department of a CPA firm. With respect to firm size, the respondents were asked how

many accountants worked in their office. The following is the percentage breakdown:

Sole practitioner	24.9%
2 to 4	16.0
5 to 10	13.5
11 to 15	7.4
16 to 25	5.2
26 to 50	11.4
51 to 100	8.3
Over 100	<u>13.3</u>
	100.0%

Attendance at Seminars

The respondents were first asked how many continuing education seminars or programs they had attended in the past two years that related to taxation: The responses were as follows:

None	30.2%
1	8.9
2	17.5
3	11.4
4	8.9
5	6.2
6	8.0
7 or more	<u>8.9</u>
	100.0%

Sponsors of Programs

The sponsors of these programs included the AICPA, state societies of CPA's, the National Association of

Accountants, and bar associations. In-house programs were also well represented. Approximately 41% of the respondents had attended a program sponsored by the AICPA, 36% had attended state society sponsored programs, 6% had attended NAA sponsored tax programs, and 38% had been the beneficiary of in-house programs sponsored by their employer. Other organizations, such as bar associations, universities, and banks had sponsored programs attended by 17% of the respondents. The above percentages do not add to 100% because several respondents had attended multiple programs.

Quality of Programs

The CPAs were also asked to rate the quality of their instructors at the programs they had attended. These quality ratings were as follows:

Excellent	29.9%
Above Average	54.6
Average	15.1
Below Average	<u>0.4</u>
	100.0%

Another question asked the respondents to compare the quality of their college taxation course to most continuing education tax courses. Apparently the majority are satisfied with their continuing education programs as the following evaluations show that a high percentage were as pleased or more pleased with the continuing education programs.

Continuing education of higher quality	43.4%
Continuing education of equal quality	33.8
Continuing education of lower quality	<u>22.8</u>
	100.0%

Some of the individuals who were not entirely happy with the continuing education courses they had attended replied to a question asking what was wrong with the courses and how they could be improved. Answers included the following:

Many courses are either too simple, or so obscure that they are useless.

Courses in taxation spend too much time on format of returns and simple changes that practitioners can figure out for themselves. More time should be spent on complex situations.

There should be more meat in continuing education programs.

One-day seminars should be held that advance from the basic to the complex on one particular tax subject.

There should be more emphasis on the gift and estate tax laws.

Continuing education tax courses should be taught on Saturdays.

There should be more emphasis on tax planning and saving the client money, and less emphasis on how to fill out income tax forms.

There should be more detailed study in specific areas of the law (for example, the tax consequences of an IRA distribution under every given situation).

Based on the above quotations, many CPAs seem to feel that the continuing education programs they have attended are too watered down to be useful. This is probably a valid criticism, particularly in recent years when so many courses have dealt primarily with changes in the tax law brought about by new legislation. These changes could be learned by reading the literature. Thus, the CPA who kept abreast of tax changes would probably get little benefit from the majority of courses. Alternatively, complicated issues (those with meat to them) would probably not draw a very large crowd for a course since few practitioners have similar problems when it comes to the more controversial situations.

The subject matter of continuing education courses was primarily limited to individual and corporate taxation. The respondents stated that, on the average, about 46% of the courses they attended were devoted to individual taxation. Corporation income taxes accounted for 50% of the subject matter, while gift and estate taxes made up 3% of the total and state income taxes were covered the remaining 1% of the time.

When asked whether more continuing education courses were needed in the tax field, the CPAs were overwhelmingly positive. Over 75% of the respondents felt that more tax courses were needed.

Cost

Cost was an important factor to the respondents. The charges for attending a continuing professional

education course varied from \$10 to several hundred dollars. The prices charged can be summarized as follows:

Under \$50	24.4%
\$51 to \$75	32.1
\$76 to \$125	26.7
Over \$125	16.8
	<u>100.0%</u>

One additional question regarding cost inquired as to whether the CPAs would consider attending a mini-tax course if the registration for such a program was \$1,000. The course would be held on ten Saturdays with expert speakers coming from across the country. Only 12.9% said they would consider attending.

Numerous respondents voluntarily wrote comments relative to the cost questions. Some of these, representing the most often stated sentiments were as follows:

Continuing education seminars should be offered at a more reasonable cost. The courses sponsored by the state society are quite expensive.

There should be a reduction in fees so that tax practitioners can afford to attend the courses.

There should be lower cost programs made available to small firms.

The more tax courses the better, but hold the cost to under \$50.

One CPA, in response to the last question about the \$1,000 course stated:

The speakers do not have to be nationally known in order to provide a worthwhile seminar. This area is full of very knowledgeable and well qualified speakers who will work for a lower fee.

Other Comments

Another interesting, and unasked for, response that appeared on several questionnaires was the recommendation that continuing tax education should be required to stay licensed. Comments included the following:

Continuing education should be compulsory and not voluntary. At least a portion of these required hours should be in the field of taxation.

Taxation should be strongly recommended as a part of the continuing education requirements.

CPE courses in taxation should be required for tax practitioners.

Continuing tax education should be required of all CPAs.

Summary and Conclusions

Most CPAs are pleased with the continuing education courses that they have attended in the area of taxation. This is a meaningful statistic since about 70% of practicing CPA's have attended a tax course during the past two years. A majority of CPAs have attended two or more tax courses during this period of time. The subject matter of these courses was equally divided between courses dealing with individual taxation and corporate taxation. Several CPAs felt that additional courses in the estate and gift tax area were needed.

Despite the fact that over half of the courses had cost less than \$75 to attend, many CPAs felt that lower cost courses were needed. The sessions sponsored by the AICPA and state societies were the most often mentioned of the high cost courses.

The respondents to this survey made several worthwhile suggestions. Surprisingly, there was great unanimity of opinion across age groups and different firm sizes. Although the respondents are relatively happy with their continuing professional education in the tax field, they generally agreed that more courses are needed, at a lower cost, and that offerings should strive to cover the topics in more depth.

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