Changes in Tax Education: An Opportunity for Accounting Educators at Christian Liberal Arts Colleges

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Abstract:

The Accounting Education Change Commission (AECC), a product of public accounting firms and the accounting academy, was formed in 1989 as an agent for facilitating change in accounting education. A consensus that accounting education had not kept pace with changes in the accounting profession provided the impetus for forming the AECC. With its emphasis on rule memorization and report preparation, accounting education was not adequately preparing students for the challenges practicing accountants typically face. Accounting education needed to change, placing greater emphasis on developing critical thinking, problem solving, and communication skills.

Much of the literature on this change in accounting education has focused on financial accounting education. This paper examines the effect of this change on tax education. The thesis advanced is that change in tax education represents an opportunity for accounting educators at Christian liberal arts colleges.

First, when making the case for a liberal arts education it is often-cited that a liberal arts education enjoys a comparative advantage in the development of critical thinking, problem solving, and communication skills. These skills are emphasized and developed when tax courses are taught from the user perspective, allowing user perspective tax courses to play to the strengths of a liberal arts education.

Second, when making the case for a Christian education an often-cited advantage is the explicit, intentional integration of faith and learning. Among other emphases, user perspective tax courses focus on understanding how taxes affect economic behavior. Within this framework of understanding how taxes affect economic behavior it is straightforward to incorporate a Christian understanding of tax policy, allowing user perspective tax courses to play to the strengths of a Christian education.

Background and Introduction:

Realizing the need for change in accounting education, public accounting firms and the accounting academy joined forces to form the Accounting Education Change Commission (AECC) in 1989, with the intention that the AECC would facilitate change in accounting education. An educational approach emphasizing rule memorization and report preparation (the preparer perspective) was out of step with the challenges typically faced by practicing accountants. Instead, what was needed was an educational approach emphasizing the development of critical thinking, problem solving and communication skills within an accounting context (the user perspective).

While much of the AECC initiated effort and resulting literature focuses on change in financial accounting education, the fingerprints of the AECC are visible on all areas of accounting education. The effect of the AECC on tax education is evidenced by the range of tax textbooks currently available. Consistent with the preparer perspective, long-lived textbooks continue to offer a rule and forms based approach, while consistent with the user perspective, newer textbooks focus on understanding how taxes affect economic behavior. For many accounting instructors, it is at this point that the more-abstract topic of change in accounting education transforms itself into the more-concrete topic of the tax textbook I am going to select for the tax course I am scheduled to teach next semester.

In this paper I advance the thesis that teaching tax courses consistent with the user perspective allows one to capitalize on the strengths of a Christian liberal arts education. First, an often-cited advantage of a liberal arts education is the development of critical thinking, problem solving and communication skills. These skills are further developed when one understands taxes from the perspective of how they affect economic behavior. Second, an often-cited advantage of a Christian education is the integration of faith and learning. Understanding taxes from the perspective of how they affect economic behavior provides a foundation for evaluating tax policy from a Christian perspective.

Tax Education that Plays to the Strengths of a Liberal Arts Education:

When making the case for a liberal arts education it is often-cited that a liberal arts education enjoys a comparative advantage in the development of critical thinking, problem solving, and communication skills. These skills are emphasized and developed when accounting is taught from the user perspective. When an accounting curriculum is constructed on a liberal arts foundation, it is possible for the accounting curriculum to build on the skills developed in the liberal arts curriculum.[1]

Using Bloom's Taxonomy of Educational Objectives one sees the differences in skill sets developed by the preparer and user perspectives. The preparer perspective emphasizes the lowest three levels of cognitive behavior-1) knowledge or *recall*, requiring memory alone; 2) *comprehension*, including the acquisition of concepts and principles; and 3) *application*, where concepts and principles are used in new but straightforward settings-while the user perspective emphasizes the highest three levels of cognitive behavior-4) *analysis*, involving the disassembly of wholes to identify their constituent parts, themes, or organizing principles; 5) *synthesis*, where novel wholes are assembled from parts; and 6) *evaluation*, involving judgment of relative value or quality. Gardiner notes that the highest three levels all involve critical thinking, complex problem

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[1] See Gardiner (pp. 1-72), Newman (1996), Mannoia (2000, pp. 1-31) and Pelikan (1992).

solving, and principled ethical reasoning. These higher order intellectual processes are the skills that educators and practitioners value the most.[2]

The dichotomy of skill sets between the preparer and user perspectives is reinforced by Albrecht's contrast of these two approaches for tax education:[3]

Contrasting Two Approaches to Tax Education	
The Preparer Perspective	**The User Perspective**
Covered income tax preparation, IRS code and regulations, and tax planning.	This subject's focus must be on research skills and on teaching students how to resolve tax disputes, find answers to complex tax problems and provide tax planning. Preparation should be kept to a minimum and should probably involve applications of tax software.

Preparer perspective courses first focus on detailed study of tax law-the IRS code and regulations. This provides a basis for study of preparation/compliance and planning activities. A strength of this approach is that students gain extensive knowledge of micro-level details of tax law. This strength is also a weakness when students become immersed in micro-level details to the exclusion of developing a macro-level understanding of tax law. A second weakness is that tax planning activities are not incorporated into more-comprehensive financial planning activities, instead the focus is on tax planning in isolation. In summary, preparer perspective courses emphasize recall, comprehension and application.

In contrast, user perspective courses adopt a problem solving approach, with developing research skills being an integral part of problem solving and dispute resolution being one type of problem solving exercise. With this approach there is less

[2] Gardiner (pp. 41-42).

[3] Albrecht (2002, p. 43).

exposure to micro-level details of tax law. This is, at worst, a minor weakness, as micro-level details are constantly changing, and students develop the research skills necessary for identifying and accessing the micro-level details relevant for solving a given problem. The problem solving approach carries over to tax planning, as tax planning is understood as a problem solving exercise. Consistent with the value-added changes resulting from the availability of tax software, emphasis on tax preparation is minimized. In summary, user perspective courses emphasize analysis, synthesis and evaluation.

The dichotomy of skill sets between the preparer and user perspectives is further reinforced by contrasting the content of two tax textbooks-one from the preparer perspective and one from the user perspective. The West Federal Taxation series is long-lived, having provided quality tax textbooks for at least two decades.[4] Given the longevity of this series, it is not surprising that this series follows the preparer perspective. This series predates both the AECC and development of the user perspective.

The Irwin-McGraw Hill Principles of Taxation series, a series that follows the user perspective, is a relatively new series, with the first annual edition being published in 1998.[5] Yet, this series has ancestral roots that extend back to the first tax textbook to follow the user perspective, Ray Sommerfeld's *Federal Taxes and Management Decisions*, published by Irwin. Sommerfeld eventually added Sally Jones, the lead author

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[4] A two semester series using the West Federal Taxation series would use Hoffman, Smith, and Willis (2004b, 2004a). Other series incorporating the preparer perspective include the Prentice-Hall series-Anderson and Pope (2004) and Anderson, Pope, and Kramer (2004); the Pratt (ARC Publishing) series-Pratt and Kulsrud (2004b, 2004a); and the long-lived Commerce Clearing House series-Cash, Dickens, Goran, Grange, Sheely, and Yeutter (2003). Of the four series, the West series is the most popular.

[5] Jones (2004) would be used in the first semester, while Jones and Rhoades-Catanach (2004) would follow in the second semester.

for the Irwin-McGraw Hill series, as the second author for his text.[6] Unfortunately, Sommerfeld's career was brought to an end by his untimely death in a boating accident. Thus, one can regard the Irwin-McGraw Hill series as a continuation of the Sommerfeld text.[7]

The left column of the following table lists the contents of the first semester text in the West Federal Taxation series, while the right column lists the contents of the first semester text in the Irwin-McGraw Hill series. Contrasting the two columns brings one to the same conclusions that resulted from contrasting the two approaches to tax education offered by Albrecht. In the West text chapters in the first four sections are in an order consistent with a journey through the individual tax formula. Section five covering property transactions, section six covering tax accounting issues, and section seven providing an overview of corporate and partnership taxation are not incorporated into this journey. Thus, sections five through seven can be thought of as appendices, with sections one through four comprising the main text.

The Irwin-McGraw Hill text explores the tax landscape at the macro-level in section one and develops a framework for tax planning in section two. Using both the macro-level understanding of tax law and the framework for tax planning the next three sections explore in order: the measurement of taxable income, the taxation of business income, and the individual taxpayer. In contrast to the West text-with its structure based

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[6] The last edition of the Jones and Sommerfeld text was the 1993-1994 edition (Jones and Sommerfeld, 1992). Note that this text was sufficiently distanced from micro-level details of tax law so that only biannual revisions were required.

[7] Additional texts from the user perspective include Dennis-Escoffier and Fortin (2004); Murphy and Higgins (2004); and Scholes, Wolfson, Erickson, Maydew, and Shevlin (2002). The Scholes, Wolfson, Erickson, Maydew, and Shevlin text is a graduate level text with such distance from micro-level details of tax law that ten years were able to pass between the first and second editions.

on a journey through the individual tax formula-the Irwin-McGraw Hill text does not focus on the individual taxpayer until section five. Also, in contrast to the West text, tax compliance is not explicitly addressed until section six, a single chapter section, and the last section of the text.

Contrasting Two Approaches to Tax Textbooks	
West Federal Taxation: Individual Income Taxes, 2004 Edition	**Principles of Taxation for Business and Investment Planning, 2004 Edition (Irwin-McGraw Hill)**
Part I: Introduction and Basic Tax Model 1. An Introduction to Taxation and Understanding the Federal Tax Law 2. Working with the Tax Law 3. Tax Determination; Personal and Dependency Exemptions; An Overview of Property Transactions **Part II: Gross Income** 4. Gross Income: Concepts and Inclusions 5. Gross Income: Exclusions **Part III: Deductions** 6. Deductions and Losses: In General 7. Deductions and Losses: Certain Business Expenses and Losses 8. Depreciation, Cost Recovery, Amortization, and Depletion 9. Deductions: Employee and Self-Employed Related Expenses 10. Deductions and Losses: Certain Itemized Deductions 11. Passive Activity Losses **Part IV: Special Tax Computation Methods, Payment Procedures, and Tax Credits** 12. Alternative Minimum Tax 13. Tax Credits and Payment Procedures **Part V: Property Transactions** 14. Property Transactions: Determination of Gain or Loss and Basis Considerations 15. Property Transactions: Nontaxable Exchanges 16. Property Transactions: Capital Gains and Losses 17. Property Transactions: Section 1231 and Recapture Provisions **Part VI: Accounting Periods, Accounting Methods, and Deferred Compensation** 18. Accounting Periods and Methods 19. Deferred Compensation **Part VII: Corporations and Partnerships** 20. Corporations and Partnerships **Appendices:** A. Tax Rate, Schedules and Tables B. Tax Forms C. Glossary D. Table of Code Sections Cited, Table of Regulations Cited, Table of Revenue Procedures and Revenue Rulings Cited E. Citator Example F. Comprehensive Tax Return Problem G. Table of Cases Cited H. Depreciation Index	**Part One: Exploring the Tax Environment** 1. Types of Taxes and the Jurisdictions That Use Them 2. Tax Policy Issues: Standards for a Good Tax **Part Two: Fundamentals of Tax Planning** 3. Taxes as Transaction Costs 4. Basic Maxims of Income Tax Planning **Part Three: The Measurement of Taxable Income** 5. Taxable Income from Business Operations 6. Property Acquisitions and Cost Recovery Deductions Appendix 6-A. Midquarter Convention Tables 7. Property Dispositions 8. Nontaxable Exchanges **Part Four: The Taxation of Business Income** 9. Sole Proprietorships, Partnerships, LLCs, and S Corporations 10. The Corporate Taxpayer 11. The Choice of Business Entity 12. Jurisdictional Issues in Business Taxation **Part Five: The Individual Taxpayer** 13. The Individual Tax Formula Appendix 13-A. Itemized Deduction Worksheet Appendix 13-B. Personal Exemption Amount Worksheet 14. Compensation and Retirement Planning 15. Investment and Personal Financial Planning Appendix 15-A. Comprehensive Schedule D Problem Appendix 15-B. Federal Transfer Tax Rates 16. Tax Consequences of Personal Activities Appendix 16-A. Social Security Worksheet **Part Six: The Tax Compliance Process** 17. The Tax Compliance Process Glossary Appendix A. Present Value of $1 Appendix B. Present Value of Annuity of $1 Appendix C. Tax Research Index

The dichotomy of skill sets between the preparer and user perspectives is reinforced on last time by contrasting the tax curriculums at two campuses in the Indiana University system. The Indianapolis campus curriculum has changed little from my days as a student in the 1980s.[8] It is a curriculum consistent with the preparer perspective. In contrast, the Bloomington campus curriculum bears no resemblance to the curriculum in place when I was a student. None of the current courses existed during my days as a student. The Bloomington campus curriculum is consistent with the user perspective.[9]

A study of the following table reveals nothing new, instead it reinforces previously noted contrasts between the preparer and user perspectives. On the Indianapolis campus the two-course undergraduate sequence is typical of that in preparer perspective curriculums, with the first course focusing on individual taxation, and the second course focusing on the taxation of corporations, partnerships, and S-corporations. At the graduate level A515 serves much the same purpose as A328 at the undergraduate level. Reflecting the complexity of the relevant tax law, A339 at the undergraduate level expands into two courses: A522 covering partnerships and S-corporations and A622 covering corporations. A fourth graduate level course, A616, covers the estate and gift tax and the income taxation of fiduciaries.[10] The graduate courses beyond A515 have

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[8] All three degrees (BS in Business, 1982; MBA, 1986; PhD in Business, 1990) have concentrations in accounting. I earned my bachelors degree at the South Bend campus, while my masters and doctoral degrees were earned at the Bloomington campus. All of my graduate tax classes, however, were taken at the Indianapolis campus. My dissertation committee chair was from the Indianapolis campus, while the three other members were from the Bloomington campus. The Bloomington and Indianapolis campuses still operate under the single umbrella of the Kelley School of Business (named for the founder of Steak-n-Shake). Though they operate under one umbrella, the tax curriculums on the two campuses differ significantly.

[9] For online bulletins with course descriptions see Indiana University (2003a, 2003b, 2003c, 2003d).

[10] During my days as a student a third undergraduate course A340-Tax Planning provided undergraduate coverage of the estate and gift tax and the income taxation of fiduciaries. The content of this course hints at the definition of tax planning under the preparer perspective.

some similarities with law school tax classes. Often the texts used in these classes are authored by tax attorneys.[11]

On the Bloomington campus the two undergraduate courses could serve as archetypes for the user perspective: A327 bears the title "Tax Analysis," while A329 is titled "Taxes and Decision Making." The course description for A327 mentions "decision making" once and "tax planning" three times, while the course description for A329 mentions both "tax planning" and "decision making." Beyond that, both tax planning and decision making are based on discounting [all inclusive] after-tax cash flows, indicating that tax planning and decision making takes place within a financial planning framework.

As with the Indianapolis campus, the Bloomington campus graduate curriculum builds on the undergraduate curriculum. It is just that the foundation provided by the Bloomington campus undergraduate curriculum differs from the foundation provided by the Indianapolis campus undergraduate curriculum. The course descriptions for the four Bloomington campus graduate courses contain many phrases associated with the user perspective.

Phrases from A535 include: "knowledge of taxation that is relevant for current and future tax regimes," emphasizing a macro-level understanding of tax law; "learn how tax laws influence personal and business behavior, as well as the economy," emphasizing that taxes affect economic behavior; and "develop a tax intuition that will facilitate

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[11] In this regard note that at the University of Denver the same program of study leads to either the Master of Taxation (M.T.) or the Master of Laws in Taxation (LL.M.). Those entering the program with an undergraduate degree in accounting receive the M.T., while those entering with a law degree (J.D.) receive the LL.M. (University of Denver, 2003)

predictions about the effects of prospective tax law changes on a variety of personal and business transactions," emphasizing both a macro-level understanding of tax law and the link between taxes and economic behavior.

Phrases from A539 include: "topics covered will involve more than just tax issues" and "develop solutions that result in maximizing after-tax profitability not minimizing the explicit tax liability," emphasizing that tax planning is one component of financial planning; and "the course will rely extensively on the Scholes/Wolfson tax planning framework" and "Consistent with the Scholes/Wolfson framework the course will use a decision making perspective," tying the course to a rigorous, highly-regarded graduate tax text written from the user perspective.

A Phrase from A541 is "uses students' tax research skills to discover new knowledge," emphasizing critical thinking and problem solving skills. Both A541 and A542 mention "tax research skills." A542 mentions "tax planning." Referring back to Bloom's Taxonomy of Educational Objectives, both the undergraduate and graduate tax curriculums on the Bloomington campus emphasize analysis, synthesis, and evaluation-the three highest levels of cognitive behavior. Referring back to Gardiner's observation on these three highest levels: They all involve critical thinking, complex problem solving, and principled ethical reasoning-skills commonly associated with a liberal arts education.

Contrasting Two Approaches to Tax Curriculums at Indiana University	
Indianapolis Campus	**Bloomington Campus**
Undergraduate Courses: **A328-Introduction to Taxation (3 cr.)** This course examines the fundamentals of federal income taxation. Primary emphasis is on a basic understanding and awareness of the tax law as it applies to individuals but includes an overview of the taxation of corporations, partnerships, estates and trusts. The course introduces students to tax research and the various sources of tax law, including the Internal Revenue Code, regulations, administrative pronouncements, and case law. **A339-Advanced Income Tax (3 cr.)** Advanced aspects of the income taxation of corporations, partnerships, and S-corporations. **Graduate Courses:** **A515-Federal Income Taxes (3 cr.)** Introduction to federal income taxation. Focus is on the income taxation of individuals and tax planning for individuals. **A522-Federal Taxation of Partnerships and Partners (3 cr.)** Tax aspects of the formation, operation, liquidation, and termination of partnerships and limited liability companies. **A616-Federal Estate and Gift Taxation (3 cr.)** Tax treatment of wealth transfers at death (the estate tax) and during lifetime (the gift tax), with emphasis on estate planning. Also includes an examination of the income taxation of estates and trusts. **A622-Federal Taxation of Corporations and Shareholders (3 cr.)** Tax aspects of the formation, operations, distributions, redemptions, liquidation, mergers, acquisitions and divisions of corporations, and the impact on shareholders.	**Undergraduate Courses:** **A327-Tax Analysis (1.5 cr.)** A business framework for tax planning and decision-making. Applications include selection of savings vehicles for individuals, comparison of business entities, compensation tax planning, and international tax planning. **A329-Taxes and Decision Making (3 cr.)** Provides a business framework for tax planning and decision making based on discounted after-tax cash flows. Technical tax topics are covered within the context of the framework. **Graduate Courses:** **A535-Taxation (2 cr.)** Provides broad coverage of tax concepts that affect individuals, sole proprietorships, investors, C corporations, S corporations, and partnerships. Intent is to help students acquire a balanced perspective and knowledge of taxation that is relevant for current and future tax regimes. Students will learn how tax laws influence personal and business behavior, as well as the economy. They will also develop a tax intuition that will facilitate predictions about the effects of prospective tax law changes on a variety of personal and business transactions. **A539-Advanced Taxation I: Entity Issues (3 cr.)** This course will begin with corporate tax policy issues and fundamental principles of corporate taxation. Once this foundation base is established the course will examine between four to six topics of corporate taxation. Generally, the topics covered will involve more than just the tax issues and may include: financial accounting, investing, financing, and business strategy issues. Students will develop solutions that result in maximizing after-tax profitability not minimizing the explicit tax liability. The course will rely extensively on the Scholes/Wolfson tax planning framework, thus providing students the opportunity to apply the tools learned in A327 (Tax Analysis) to more complex situations. Consistent with the Scholes/Wolfson framework the course will use a decision making perspective. **A541-Advanced Taxation II: Individual and Estate and Gift Issues (3 cr.)** This course uses students' tax research skills to discover new knowledge on advanced tax topics such as passive activity losses, alternative minimum taxes, international taxation, and multi-state taxation. The course also includes gift and estate tax compliance and tax planning as well as deferred compensation. **A542-Advanced Taxation III: Tax Research and Special Topics (3 cr.)** This course will investigate tax research skills using CD-ROM and Web-based research databases. Assignments will focus primarily on flowthrough issues including S corporations, partnerships, and limited liability companies. This course will also cover rules and tax planning strategies for formation, operation, distributions, and liquidation.

Tax Education that Plays to the Strengths of a Christian Education:

That integration of faith and learning continues as a topic of discussion testifies, at least in part, to the difficulty of actually integrating faith and learning in a given discipline. Many topics in accounting are worldview neutral. For example, an evangelical Christian, a Roman Catholic, an Orthodox Jew, a Muslim, a secular humanist, and a garden-variety atheist all compute the net present value of a project in much the same way.[12] Similarly, members of these groups all compute the 95% confidence interval for a given sample estimator in much the same way.

Given the effect that taxes have on economic behavior, regardless of whether one adopts the preparer or user perspective, tax courses are ready made for the introduction of an evangelical Christian perspective on tax policy. My argument is that this faith integration possibility is more likely to be realized and better fits into the flow of the course in a user perspective tax course where the effect that taxes have on economic behavior is explicitly incorporated into the course. Based on personal experience, this faith integration possibility can be realized in a preparer perspective tax course, but faith integration exercises in a preparer perspective course are more likely to be seen as footnotes or appendices that are not essential to the main flow of the course. To the extent that they focus on micro-level details of tax law, preparer perspective tax courses can easily become worldview neutral courses.[13]

[12] Differences could exist across these groups concerning the costs and benefits associated with a given project. For example, should the costs of pollution-a negative externality-be included in the analysis? Should the costs of displaced families resulting from a plant closing be included in the analysis? What if these costs, though real, cannot be quantified?

[13] For example, understanding the details of stock redemptions under Internal Revenue Code Section 302 (b) is a worldview neutral exercise.

This fall I am teaching the first semester undergraduate tax course from the user perspective, using Jones (2004) as the primary text. Since understanding the effect that taxes have on economic behavior is one of the main themes of the course, the discussion of tax policy is a regular part of the course. Thus, an evangelical Christian perspective on tax policy is an integral feature of the course. I have also incorporated a larger faith integration project into the course.

On September 9, 2003 voters in Alabama will decide the future of a proposed $1.2 billion tax increase.[14] This tax increase has been proposed by Bob Riley, the governor of Alabama. Given current economic and budget realities, a governor proposing a substantial tax increase is not especially interesting. In this case, however, Governor Riley, a Southern Baptist and a self-identified evangelical Christian, is the first Republican governor in Alabama since Reconstruction. This is where the interest arises: The tax increase proposed by Governor Riley has split the conservative evangelical Christian community, a community that actively supported Governor Riley in his campaign for governor.

Conservative evangelical Christians have traditionally supported candidates who believe in limited government. This is the type of candidate that Governor Riley was thought to be. Yet, Governor Riley is proposing the largest tax increase-and with it the largest increase in the size of government-in the history of Alabama. How can this be? Is Governor Riley the latest in a never-ending series of candidates to campaign from one perspective and govern from a second? To answer this question, one must understand that Governor Riley is a theological conservative before he is a political conservative.

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[14] See Allen (2003), Baptist Press (2003), Gettleman (2003), and Pappas (2003).

Contrary to the ongoing, if historically inaccurate, acceptance of the separation of church and state, Governor Riley's conservative evangelical Christian worldview shapes the public policies he advances.[15]

More than believing that his conservative evangelical Christian worldview is consistent with his proposed tax increase, Governor Riley believes that his conservative evangelical Christian worldview gives him no choice but to propose this increase in taxes. In supporting the proposed tax increase, Governor Riley has made many statements similar to the following: "According to our Christina ethics, we're supposed to love God, love each other and help take care of the poor….It is immoral to charge somebody making $5,000 an income tax."[16] Conservative evangelical Christians can be found on both sides of this issue. The Alabama chapter of the Christian Coalition opposes Governor Riley's tax increase, while the Christian Coalition of America supports the tax increase. Bob Mizzell, director of Christian ethics for the Alabama Baptist Convention, notes that "This is a divisive issue….There are Baptists and Christians on both sides of it, and they are sincere about their positions."[17]

Originally, I planned to build this faith integration project around President George Bush's tax reform proposal that became law last spring. Conservative evangelical Christians supported the President's tax cuts, while members of the evangelical left (Millard Erickson's term) opposed the President's tax cuts. As evangelicals, both groups, by definition, hold a high view of Scripture, including belief in the inspiration and

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[15] Considering both the vote on Governor Riley's proposed tax increase and all that has surrounded State Supreme Court Chief Justice Roy Moore's refusal to remove a monument to the Ten Commandments, Alabama must currently be one of the more interesting states in the Union.

[16] See Baptist Press (2003).

[17] See Baptist Press (2003).

inerrancy of Scripture, and both groups use Scripture to support their positions. The faith integration project, essentially an exercise in the interpretation of Scripture, requires students to explore how these two groups can use the same Scripture passages to support opposing positions on a given tax policy issue.

I found Governor Riley's proposed tax increase more intriguing because conservative evangelical Christians are on both sides of the issue. Based on such issues as open theism and the exclusiveness of Jesus Christ as the way to salvation, conservative evangelical Christians have begun to question whether members of the evangelical left still fit under the evangelical umbrella. Focusing on Governor Riley's proposed tax increase allows me to sidestep this issue.[18]

This faith integration exercise requires that students investigate the moral and ethical requirements of the Pentateuch. At first glance, students question the extent to which Leviticus, Numbers, and Deuteronomy relate to an evangelical Christian understanding of tax policy. To introduce the Pentateuch as a useful framework for understanding God's ethical expectations, I refer students to Wright (1995), especially chapters 1, 5, 6, and 9. Second, students study the ethical provisions of Leviticus 19-including the related passages in Deuteronomy 16, 20, 24, 25, and 27; the Year of Jubilee; and the Sabbatical Year.[19]

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[18] While I have well-formed beliefs on this issue, beliefs I am not hesitant to express, I did not want this issue to clutter or obscure the main points of the faith integration exercise.

[19] Referenced commentaries include: Craigie (1976), Hartley (1992), Wenham (1979), and Wright (1996). Referenced articles from the *International Standard Bible Encyclopedia* include Payne (1982, 1988). Referenced articles from the *Anchor Bible Dictionary* include Wright (1992a, 1992b).

Third, students study the three tithes required of Old Testament Israel.[20] Relevant chapters include Leviticus 27; Numbers 18; and Deuteronomy 12, 14, and 26. Most students are surprised that three tithes were required. The tithe they are most familiar with is the first one, the one used to support the Levites in their priestly duties. The third tithe has a social welfare function as Deuteronomy 14:28-29 and 26:12-13 indicate:

> "At the end of every three years you shall bring out all the tithe of your produce in the same year and lay it up within your towns. And the Levite, because he has no portion or inheritance with you, and the sojourner, the fatherless, and the widow, who are within your towns, shall come and eat and be filled that the LORD your God may bless you in all the work of your hands that you do. (Deuteronomy 14:28-29, English Standard Version)
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> "When you have finished paying all the tithe of your produce in the third year, which is the year of tithing, giving it to the Levite, the sojourner, the fatherless, and the widow, so that they may eat within your towns and be filled, then you shall say before the LORD your God, 'I have removed the sacred portion out of my house, and moreover, I have given it to the Levite, the sojourner, the fatherless, and the widow, according to all your commandment that you have commanded me. I have not transgressed any of your commandments, nor have I forgotten them. (Deuteronomy 26:12-13, English Standard Version)

The care that is evidenced for "the sojourner, the fatherless, and the widow"[21] is identical to that found in the general gleaning provisions and the gleaning provisions for the Sabbatical Year and the Year of Jubilee.[22] It is this mandate to care for "the sojourner, the fatherless, and the widow" that motivates Governor Riley's proposed tax increase. Paradoxically, at least in part, it is also this mandate to care for "the sojourner, the

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[20] Referenced commentaries include: Ashley (1993), Craigie (1976), Hartley (1976), Wenham (1979), and Wright (1996). A referenced article from the *International Standard Bible Encyclopedia* is Carpenter (1988). A referenced article from the *Anchor Bible Dictionary* is Wilson (1992).

[21] Reference to "the sojourner, the fatherless, and the widow" is found-in whole or in part-eleven times in Deuteronomy: 10:18; 14:29; 16:11, 14; 24:17, 19, 20, 21; 26:12, 13; 27:19.

[22] For more on the general gleaning provisions see Opperwall and Vunderink (1982).

fatherless, and the widow" that motivates those who oppose Governor Riley's proposed tax increase.

After sufficient time for research, I will suggest to students that resolution to this paradox comes from recognizing that Old Testament Israel was a theocracy while the modern-day United States of America is not. There was to be no separation of "church" and state in Old Testament Israel. To the extent that the third tithe and the gleaning provisions in Old Testament Israel met needs that are today understood as falling within the domain of the modern-day welfare state, one can think of the third tithe as a tax. Though I have found no record of Governor Riley or other supporters of his proposed tax increase using this theological rationale, it is an interpretation of Scripture that respects the evangelical Christian notions of inspiration and inerrancy; an interpretation that, even if one disagrees with it, cannot be summarily dismissed. In summary, the position of Governor Riley and his supporters makes sense if one understands the modern-day state as having the same ethical obligations as the "state" in Old Testament Israel.

What if the modern-day state cannot care for "the sojourner, the fatherless, and the widow" in the manner required by Scripture? What if Scripture implies that one is to meet more than physical needs, that one is to also meet spiritual needs? What if Scripture requires that welfare benefits are to be dispensed within a moral framework that is at odds with the secular orientation of the modern-day state? These questions sketch the interpretative framework of those that oppose Governor Riley's proposed tax increase.

At least when it comes to moral orientation, there is an expansive separation between church and state. The moral framework within which the modern-day state meets the physical needs of "the sojourner, the fatherless, and the widow" differs significantly from the moral framework within which the church meets those same needs. Since "man does not live by bread alone, but man lives by every word that comes from the mouth of the LORD,"[23] the moral framework within which physical needs are met matters.

From this perspective, dollars collected by the state through taxes are dollars that are not available for the church to use in meeting the needs of "the sojourner, the fatherless and the widow." Thus, Governor Riley's proposed tax increase makes is more difficult for the church to carry out the ethical requirements of the Pentateuch. In general, this is the theological rationale used by those who oppose Governor Riley's proposed tax increase. Again, it is an interpretation that, even if one disagrees with it, cannot be summarily dismissed.[24] In general, this is the theological rationale that supports President Bush's faith based initiative, where federal dollars can be directed to private, sectarian organizations to carry out programs that government agencies also carry out.[25]

If this faith integration project works as intended, students will leave with a better-developed Scripture-based framework for evaluating public policy and, more specifically, for evaluating tax policy. As their evangelical Christian worldviews are

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[23] Deuteronomy 8:3b.

[24] In the interest of full disclosure, this is the interpretation of Scripture I subscribe to.

[25] While governor of Texas, President Bush observed that faith based programs had significantly greater success-when compared with secular programs-in treating those who were addicted to drugs. Combating drug addiction is a legitimate policy objective for the secular state. If faith based programs have greater success than secular programs, on pragmatic efficiency grounds why not increase use of faith based programs? This is a pragmatic rationale for use of faith based programs. However, should it be a surprise that programs of treatment that are consistent with God's moral will are also the programs that are most effective from a pragmatic perspective?

better developed, it will be more natural for students to see and understand life from an evangelical Christian perspective.

Conclusion:

Lest anyone misunderstand, it is not my contention that critical thinking, problem solving, and communication skills can only be developed in preparer perspective tax courses. Similarly, it is not my contention that faith integration can only take place in preparer perspective tax courses. Instead, I contend that user perspective tax courses-with their emphasis on the development of critical thinking, problem solving, and communication skills-logically fit within the orientation of a liberal arts education. Similarly, I contend that user perspective tax courses-with their focus on understanding how taxes affect economic behavior-are structured so that it is logical to understand and evaluate tax policy from an evangelical Christian perspective. Because of these reasons, I contend that accounting faculty at Christian liberal arts colleges should at least consider teaching tax courses from the user perspective. If a course can be taught in a way that plays to an institution's strengths, why not do so?

Not all Christian Business Faculty Association members teach at liberal arts colleges. Additionally, some who teach at liberal arts colleges are part of programs-such as MBA programs-that are functionally separate from the liberal arts college. Yet, based on the evidence presented, I contend that accounting faculty in these institutional settings should also consider teaching tax courses from the user perspective. Ultimately, the perspective adopted should be the one that best prepares a program's graduates for their professional careers.

This paper focuses on course content, but there is a second factor to consider in choosing between the preparer and user perspectives. As accounting faculty, most, if not all, of us were trained in programs structured according to the preparer perspective. Additionally, given that the user perspective is relatively new, most of our teaching experience comes from the preparer perspective. Thus, even if the user perspective makes most sense when considering course content, it may be that when our backgrounds and experiences are considered, at least in the short-run, we are most effective in the classroom if we continue with the preparer perspective. A tradeoff may be unavoidable with long-run benefits being realized only if short-run costs are incurred.

Ultimately, I am only one voice. My hope and prayer, then, is that this paper will lead to discussion that is beneficial to accounting faculty at Christian colleges as we grapple with change both in the accounting profession and in accounting education. In that spirit, let the discussion begin.

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