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Book Review of Corporate Tax Management

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BOOK REVIEW

CORPORATE TAX MANAGEMENT

By ARNOLD WILLIAMS. Commerce Clearing House, Inc., Chicago, Ill.:
1964, x, 342 pp. \$17.50

The title of this book could very well have been "The Corporate Tax Man's Illustrated Handbook". It is indeed the type of a book which guides and leads the "tax man" through all the essential paths and byways of the treacherous abyss of tax management. No step has been considered so basic by the author as to warrant its exclusion from the "blow by blow" analysis of the problem of achieving perfect control over corporate procedures and decisions with a view to tax saving, tax planning, proper tax return preparation and tax audit feasibility. However, since the book is directed towards large businesses which necessarily have efficient accounting departments and tax experts, some of the detail appears to be superfluous. Chapter 4 concerns itself with the physical preparation of federal income tax returns. Exhaustive suggestions are made in regard to preparation of worksheets, supporting schedules, filling out schedules on the official form, reconciliations (including Schedule M) and other such basic accounting-mechanical problems. Certainly such procedures are well known to the upper echelon of the accounting staff and the tax manager need not have to concern himself with such trivia. His function should be limited (if he is worthy of the title "tax manager") to tax planning, to see to it that management's business decisions can be effectuated at the least tax cost. Similar remarks apply to Chapter 5 which discusses preparation of other tax returns, payments, and claims.

On the other hand, the suggestions and advice offered in the rest of the book are very useful and helpful. Chapter 1 discusses the importance of tax planning. Great emphasis is placed on the need of bringing about tax awareness not only at the managerial level but also at all decision making levels. This problem is emphasized throughout the book in conjunction with such collateral matters as improving interdepartmental communications and coordination. A sample tax planning questionnaire as well as tax planning checklists are appended to Chapter 1.

A whole chapter is devoted to techniques of assembling tax data both by hand method as well as A D P equipment, both for current and

prospective events. The discussion points up the fact that such material is of great value when a tax audit is performed. The auditing agent can easily follow the "trail" of data into the final figures as they appear on the tax return and also gain understanding of the meaning of the figures without having to ask for explanations. The weight that the author places on the importance of proper handling of government audits of various types of taxes may be appreciated from the fact that a detailed chapter is exclusively devoted to a thorough discussion of the matter. Procedural as well as wise practical settlement methods are suggested.

The chapter entitled "Improving Communications and Coordination" contains a very comprehensive and flexible coordination checklist, whereas the chapter on "Selecting, Training, and Retaining a Tax Man" includes a sample technical test to be given an applicant for the tax department. The discussion on how to select a tax man is an outstanding feature of this book.

The discussion of the importance and usefulness of an internal tax audit system is highlighted by a most comprehensive checklist. The use of such a checklist could, in some instances, bring about very positive tax planning and very substantial tax savings.

Another valuable feature of this book is a 145-page forms appendix. To quote the author, "the new forms represent nearly every category normally used by a corporate tax department, including data collection, worksheets, calendar/control lists and cards, payment records, check requests and audit reports."

To again quote the author, "this book attempts to analyze and describe corporate tax management in terms of systems and procedures—what should be done, when is the best time to do it, how it can best be handled. I have placed much stress on efficiency, . . ." The author has indeed realized his attempt.

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