INDEX

Accounting for Contingencies, 32
Accounting for Income Taxes (SFAS109), 32
Accounting for Uncertainty in Income Taxes, 30
AFE. *See* Analysts' forecast error (AFE)
Alternative measures of short interest, 18
American Citizens Abroad Global Foundation, 92
American Citizens Abroad organization, 94
American citizens live abroad, 96–97
American General Social Survey, 178
American Institute of Certified Public Accountants, 92
American Stock Exchange, 10
Analysts' forecast error (AFE), 34
Antagonistic tax climate, 153
ASSETS, 66
AUDI, 130–131
Audit-based detection probability, 123–124

Bangladesh, large taxpayers in, 121
Baseline regression results, 130–131
Black economy, 185
Book-to-market ratio (BTM), 9
Bootstrapping, 167–168
BTM. *See* Book-to-market ratio (BTM)

CAPEX. *See* Capital expenditures (CAPEX)
Capital expenditures (CAPEX), 9
Cash effective tax rate (CETR), 7
CASHFLOW, 66
Cash flow from operations (CFO), 9
CASH HOLDING, 66
CETR. *See* Cash effective tax rate (CETR)
CFA. *See* Confirmatory factor analysis (CFA)
CFO. *See* Cash flow from operations (CFO)
Change in earnings per share (DEPS), 34
Chief Tax Court judge, 79
Chi-square results, 83–84
Closely held corporation, 74
Coercion, in tax compliance, 121–126
Complex tax-avoidance transactions, 18
Compliance behavior, 148
Compliance structural model, 160
Conditional cooperation, 152–153, 163, 176
Confirmation of mediator, 157
Confirmatory factor analysis (CFA), 157
  measurement model, 160
Corporate sector, 121–126
Corporate tax avoidance, determinants of, 4–5
Correlation matrix, 40
  of selected variables, 62
Corrupt tax administration, 124
Crossover analysis, 44–47
Cross-sectional analysis, 16–18
CRPROS, 130, 134

Deferred tax asset valuation allowance (DTVA)

data and results
crossover analysis, 44–47
regression analysis, 37–44
sample selection and descriptive statistics, 36–37
research method
one-stage approach, 33–36
two-stage approach, 36
Dependent variable, 85, 156
Depreciation tax shields (PP&E), 9
Deterrence power coerces taxpayers, 151
Devastating consequences of Greek economic/debt crises, 179–181
Disclosure requirements, 92
Disclosure transparency, 18–23
Discretionary accruals, 9
Discretionary permanent book-tax differences (DTAX), 7–8
DIVDUM, 66
Dividend
received deduction, 54
regression of, 63, 64, 65
smoothing, 57
taxation, 54–55
tax legislation, 58
Double taxation, 76
Downward dividend rigidity, 57
DTAX. *See* Discretionary permanent book-tax differences (DTAX)

Earnings, 59
Earnings management (EM), 30
analysis of, 45
tests, 41–42
Earnings per share (EPS), 34
Economic crisis, 173
Economic/risk-based theories, 123
Effective tax rates (ETRs), 2
Electronic FinCEN Form, 114, 93
EM. *See* Earnings management (EM)
Empirical model, 8–9
"Employment Package,", 174
Enforced tax compliance, 148, 151
model, 157–161, 162
EPS. *See* Earnings per share (EPS)
ETRs. *See* Effective tax rates (ETRs)
European and World Values Surveys, 178
European Commission's Investment Plan for Europe, 173–174
EUT. *See* Expected utility theory (EUT)
Existing literature, 6
Expectancy theory, 123
Expected utility theory (EUT), 123

Factors inherent, 9
FASB Interpretation No. 48 (FIN48), 30
FATCA. *See* Foreign Account Tax Compliance Act (FATCA)
FBAR. *See* Foreign Bank and Financial Accounts (FBAR)
FEMALE, 105
FILCOM variable, 130–131
Financial Industry Regulatory Authority (FINRA), 8
Financial package, 74
Financial reporting quality factors, 9
FINRA. *See* Financial Industry Regulatory Authority (FINRA)
Firm characteristics, descriptive statistics of, 60
FORECAST_ERROR, 21
FOREIGN, 9
Foreign Account Tax Compliance Act (FATCA), 92, 93
Foreign Bank and Financial Accounts (FBAR), 92
Foreign-controlled manufacturing corporations, 122
Foreign-earned income exclusion, 92
Foreign tax credit, 92
Foreign tax reporting rules, 109
Form 10-K, 18

Former General Secretariat for Public Revenue, 184
Fortune magazine, 5
Fundamental economic theory, 92

GAAP effective tax rate (GETR), 2–3, 7
GDP. *See* Gross domestic product (GDP)
GETR. *See* GAAP effective tax rate (GETR)
GFI. *See* Goodness-of-fit index (GFI)
Global financial crisis, 173
GOF. *See* Goodness-of-fit (GOF)
Good fiscal policy, 92
Goodness-of-fit (GOF), 157
Goodness-of-fit index (GFI), 157
Greek shadow economy, 183
Gross domestic product (GDP), 59, 179

High stock option convexity, 5
Hiring Incentives to Restore Employment Act (P.L. 111-147), 93
Housing provisions, 92
Hypothesis development, 6–7, 55–57, 150–155

Imprisoning taxpayers, 124
Income tax-based earnings management, 31
Independent Authority for Public Revenue in Greece, 184
Independent variables, 81, 156
Indicator variable for foreign income, 9
Industry sector, 122
INDUSTRY_SI, 14
Information imperfections/deviations, 176
Inland Revenue Board (IRB), 149
Institutional ownership as percent of shares outstanding (INST_OWN), 9
Instrumental variable (IV), 3
Intentions theory, 124
Internal Revenue Code (IRC) Section, 162, 74–75
Internal Revenue Service (IRS), 4, 74, 93
Intrinsic motivation, 175
IRB. *See* Inland Revenue Board (IRB)
IRC. *See* Internal Revenue Code (IRC)
IRS. *See* Internal Revenue Service (IRS)
IV. *See* Instrumental variable (IV)

JGTRRA. *See* US Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) of 2003
US Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) of 2003, 53
  legislation, 54
Judge's political affiliation, 79
Juncker Plan, 173–174
Justifications, 156

Large accelerated filers, 18
Large taxpayer units (LTUs), 121
Legal precedence, 74, 76
Legitimate power, 151
LEV. *See* Leverage (LEV)
Leverage (LEV), 9
Logarithm of total assets (LOG_AT), 9
LOG_AT. *See* Logarithm of total assets (LOG_AT)
Long-run cultural factors, 176
long-term cash effective tax rates, 4
LTUs. *See* Large taxpayer units (LTUs)

Managers, of scrutinized firms, 6
Manufacturing firms, 122
Marginal taxpayers, 125
McNemar tests results, 192

Measurement model, 158, 159
Measuring tax avoidance, 7–8
Mediating effect, 157–161
"Most admired companies,", 5
Multilevel regression results, 131–134
Multiple regression results, 85–86, 132–133
MUNDER, 130–131

NASDAQ Stock Market, 10
Natural logarithm of the number of analysts following firm (N_ANALYSTS), 9
Negative stock market reaction, 5
NET_EFFECT_t, 46–47
Net operating loss carryforwards (DNOL), 9
New York Stock Exchange, 10
Noncompliance behaviors, 148
Nonresponse bias, 126
Nonrisk theories of tax compliance, 124

OCF. *See* Operating cash flow (OCF)
OECD. *See* Organization for Economic Cooperation and Development (OECD)
OLS. *See* Ordinary least squares (OLS)
Operating cash flow (OCF), 58
Ordinary least squares (OLS), 10
Organization for Economic Cooperation and Development (OECD), 54, 125

PAYCOM, 134
Peer effects, 176
PENAL variable, 130–131
Performance-adjusted modified Jones model (DIS_ACCRUAL), 9
Persuasion, in tax compliance, 121–126
PI. *See* Pretax income (PI)
Political affiliation, 78
Post-FIN48 period, 30
Post-Jobs and Growth Tax Relief Reconciliation Act of 2003, 53
POSTTAX, 58, 67
Potential tax savings, 18
PP&E. *See* Depreciation tax shields (PP&E)
Predicted value (PRED_SI), 14
Pre-FIN48 period, 30
Pre-Jobs and Growth Tax Relief Reconciliation Act of 2003, 53
Premanaged analysts' forecast error ($PMAFE_t$), 34
Premanaged change in earnings per share ($PM\Delta EPS_t$), 36
Premanaged earnings per share ($PMEPS_t$), 36
Pretax cash flow from operations, 9
Pretax income (PI), 7
Prospect theory, 123

Questionnaires, 156–157
Quota sampling method, 156

R&D. *See* Research and development expense (R&D)
Reasonable compensation, 74
"Reasonable compensation,", 79
Reciprocity, 153, 176
Regression analysis, 37–44
REPCOM, 131
Reputation costs, 4
Research and development expense (R&D), 9
Respondents
  age ranges, 95
  citizenship status and gender, 96
  comments on impact of FATCA, 101–102
  country of residence, 95
  length of time lived abroad, 98
  marital status, 96

planned duration for living abroad, 98
tax evasion in United States and in their country of residence, 100
Retail investors, 5
Return on assets (ROA), 9
"Ringmastering,", 122
Risk-based theories, 123
ROA. *See* Return on assets (ROA)
Robustness tests, 43–44
alternative measures of short interest, 18
disclosure transparency, 18–23
Run After Tax Evaders program, 124

Sales growth (SALES_GROWTH), 9
Sarbanes–Oxley Act, 33
SAS. *See* Self-assessment system (SAS)
SEC. *See* Securities and Exchange Commission (SEC)
"Sectorization,", 122
Securities and Exchange Commission (SEC), 5
Self-assessment system (SAS), 148
Sensitivity test, 66–67
Shadow economy
in general, 174
in Greece, 175–185
Shareholder-level dividend tax policy, 52
SHELTER, 7–8
SHORT_INTEREST, 10, 21
Short-interest variable, 3
Short sellers, 5–6
Short-selling, 5–6
activities, 8–9
curbs
earnings management, 6
tax avoidance, 3
SIC codes. *See* Standard Industrial Classification (SIC) codes
Simple regression results, 84
Slippery slope framework, 149, 176
Social influences, 176
Special items (SPI), 7
SPI. *See* Special items (SPI)
Standalone approach, 120
Standard Industrial Classification (SIC) codes, 8
Statement of Financial Accounting Standards No. 5, 32
Statement of Financial Accounting Standards No. 109, 32
Statutory tax rate, 4

Tax
accounting literature, 1
administration in Malaysia, 149
aggregates/collection, in Greece, 184–185
amnesties, 185
amoral behavior, 154
authority monitoring, 4
awareness, 154
compliance, 148
administrations, 120
coercion and persuasion in, 121–126
instruments, 120
nonrisk theories of, 124
Court judges, 79
cushion changes, 47
deferral strategies, 7
evasion, impact on, 175–178
moral, 155
concept of, 175–178
in Greece, 175–185
measuring, 178–179
planning opportunities, 9
shelter arrangements, 2
shelter prediction score, 7
simplification, 125
Taxes paid (TXPD), 7
Taxpayer service, 125
THALES project, 187–188
Thomson Reuters Institutional (13f) Holdings file, 10
TIME_ABROAD, 105

Total tax expense (TXT), 7
Treasury Regulations, 75–76
Treasury stock purchase (TREASURY), 61
TSERVICE, 130–131
TSIMPLI, 130–131
2SLS. *See* Two-stage least squares (2SLS) model
Two-stage least squares (2SLS) model, 2, 14–16
TXPD. *See* Taxes paid (TXPD)
TXT. *See* Total tax expense (TXT)

Unregistered economic activities, 182
Untabulated analysis of open-ended responses, 110
US
  tax court judges, characteristics of, 79
  tax court makeup based on political affiliation and gender, 81
  tax law, 106
  taxpayers, 93
  tax system, 92
    in general, 99
  treasury department, 93
  Treasury Regulations 1.162-7, 75–76

Variables
  correlation matrix of selected, 62
  definitions, 35
  dependent, 85
  descriptive statistics for, 38–39
  equation 1 and 2, 83
  FILCOM, 130
  frequencies of four demographic, 190
  independent, 82
  measurement, 9
  measurement of dependent (outcome) and independent (predictor), 129
  PENAL, 130
Variance–covariance matrix (VCE), 134
VCE. *See* Variance-covariance matrix (VCE)
Voluntary tax compliance, 148

Web-based approach, 94
Wilcoxon Signed-ranks tests results, 192–193