

School of Accountancy
Tax Subcommittee Minutes
February 2, 2021 (4:00 pm to 5:20 pm)
Via Zoom

Attendees: Michael Dell, Roy Kamida, Kurt Kawafuchi, Wendell Lee, Lucas Love, Nick Mirkay, Thomas Pearson, Hamid Pourjalali, and special invitee: Brett Wilkinson, Accounting Department Chair, Kansas State University

The discussion started by empathizing on UH-Manoa's mission: "A student-centered, Carnegie Research 1, community-serving university grounded in a Native Hawaiian place of learning"

The first main topic for discussion was a Tax Center at UH. Tax centers have historically provided research and interaction with tax professionals. Consequently, a tax center could include expanding tax education and research, overseeing VITA services, and providing comments for legislative consideration on tax policies. A tax center must eventually be staffed by someone who handles all the necessary coordination. The center should not duplicate what is already in the State, such as services provided by the Hawaii Tax Foundation.

The other major topic for discussion was offering academic credit for VITA (volunteer income tax assistance), a program primarily serving low-income taxpayers. To participate in VITA, the IRS requires each volunteer obtain VITA certification by passing the basic VITA exam on its link and learn website. Then students work at a VITA site, interviewing clients and helping them prepare the federal and state individual income tax returns.

In recent years more universities have offered academic credit for students obtaining VITA certification training and providing the VITA service, an excellent form of service learning that many universities are further encouraging. During one's first year of VITA service, one serves as a tax preparer. Service in a subsequent year usually qualifies one to serve as a "quality reviewer." VITA sites create teams matching its tax preparers with its quality reviewers.

Universities offering VITA credit usually offer the class in the spring semester, providing some education on the VITA topics in January (such as training on two Saturdays). Universities often create and oversee a VITA site (most often needed for helping foreign students). A faculty member overseeing a VITA site has a very extensive time-consuming role.

The Tax Committee also discussed Cornell University's unique two course VITA related tax sequence for the fall (in the business school) and spring semester (at the law school). Law schools sometimes offer a tax practicum for VITA participation, but also helping low-income taxpayers go before the Tax Court (a judge usually comes to Hawaii from a week each summer). Potential activities include negotiating, legislative/think tank analysis, or helping investors.

Comments by Tax Committee members showed widespread support to offer at least one new tax class in SOA that encourages students to provide VITA tax services to low-income individuals in Hawaii. One committee member suggested the length of VITA prep class time as 16 hours, covered over two weekends.

Offer the VITA course(s) as credit/ no credit, seems more common than awarding grades. Many universities also require students submit a reflection before the end of the semester. One

committee member envisioned the VITA program for academic credit as an internship program so that students could receive internship credits.

The committee discussed making the VITA course available at the lower division level as a way for helping to attract students to develop an interest in accounting as a major. Because VITA no longer requires students to have completed a tax course, some high school students have become VITA certified and work at a VITA site as a tax preparer. Class offered in Freshman/sophomore years would be interesting for students and could perhaps substitute as a social science class for graduation.

VITA's "quality reviewer work" would definitely require completion of the UH's first tax course, as well as additional VITA course certifications, such as for foreign students or the military. If a VITA course is taught at junior and senior levels, the VITA program can benefit from more mature and tax focused students. The committee did not resolve the issue of the level of the VITA course(s); however, support exists for allowing graduate students to earn the credit.

By participating in VITA, international students could learn more about the U.S. tax system and help other foreign students and first-generation immigrants. Students obtaining the VITA certification for passing the foreign student exam would also obtain a more global view.