

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

is less important than the partner who leads its engagement team in lowering its tax rate.

Aug. 23, 2023

The image displays three overlapping IRS tax forms. The top form is Form 1065, 'U.S. Return of Partnership Income', for the calendar year 2005. Below it is Form 1120S, 'U.S. Income Tax Return for an S Corporation', also for the calendar year 2005. The bottom form is Form 1120, 'U.S. Corporation Income Tax Return', for the calendar year 2005 or tax year beginning in 2005. The forms are arranged in a collage, with Form 1120S partially overlapping Form 1065 and Form 1120 partially overlapping Form 1120S. The forms are white with black text and red lines. The IRS logo is visible on each form.

When it comes to a corporation's relationship with its accounting firm, the firm itself is less important than the partner who leads its engagement team in lowering its tax rate, according to a new study from Iowa's [Tippie College of Business](#).

The study found that the partner has twice as great an impact on the firm's cash effective tax rate than did their firm. The study also found that partners were a greater factor in determining the likelihood of an IRS audit.

“We asked ourselves why some corporations pay more taxes and some pay less,” said

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

partner, or the preparer's firm.

- The study found.....
- 
- As expected, **the CFO/CAO had the greatest impact**, as they oversee the firm's financial records and hire and fire the external accounting firms.
- Of external actors, the individual partner had a much greater impact than the firm. Although accounting firm marketing strategies tend to pitch the benefits their entire portfolio of services provide to clients, Wilde says that matters far less than the individual partner who is actually managing their return preparation.

“Who you use as a partner matters,” he said.

- Of the partners' demographic characteristics, they **found income and gender were most significant**. Partners who earned greater incomes had a greater effect on their clients' returns. Male partners also tended to be associated with a higher likelihood of an IRS audit.

Such characteristics as age, marital status, job title, or whether the partner was also a lawyer had little to no impact.

Wilde's study, “Who really matters in corporate tax?” was co-authored by Andrew Belnap of the University of Texas and Jeffrey Hoopes of the University of North Carolina and was published in the Journal of Accounting and Economics.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us