

< [Working Papers](#)

# A Unifying Model of How the Tax System and Generally Accepted Accounting Principles Affect Corporate Behavior

---

Douglas A. Shackelford, Joel Slemrod & James M.  
Sallee

SHARE   

---

WORKING PAPER 12873

DOI 10.3386/w12873

ISSUE DATE January 2007

---

This paper models the impact of the tax system and GAAP on the real and financial reporting decisions of corporations. It provides a first step toward joint evaluation of taxation and financial reporting in the standard economic analyses of corporate behavior. The key finding is that value arises from real decisions that provide firms with discretion in their tax and financial reporting. This desire for flexibility modifies the optimal decisions of firms, in theory, and we provide examples that illustrate this behavior in the real world.

Download a PDF

[Information on access](#)

## Acknowledgements and Disclosures



## Download Citation



## Related

### TOPICS

Public Economics  
Taxation  
Other  
Accounting, Marketing, and Personnel

### PROGRAMS

Public Economics  
Corporate Finance

## More from NBER



In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



15<sup>th</sup> Annual Martin Feldstein Lecture:

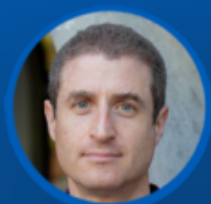
## **The Next Flight of the Bumblebee: The Path to Common Fiscal Policy in the Eurozone**

Mario Draghi, former President, European  
Central Bank and former Prime Minister, Italy  
Summer Institute, 2023

**2023, 15th Annual Feldstein Lecture, Mario Draghi, "The Next Flight of the Bumblebee: The Path to Common Fiscal Policy in the Eurozone"**

LECTURE

Dr. Mario Draghi, who served as President of the European Central Bank and Prime Minister of Italy, presented the 2023...



Methods Lecture:

## **Linear Panel Event Studies**

Jesse M. Shapiro, Harvard University and NBER  
Liyang Sun, CEMFI  
July 28, 2023

**2023 Methods Lectures, Jesse Shapiro and Liyang (Sophie) Sun, "Linear Panel Event Studies"**

Overview: Linear panel event studies are increasingly used to estimate and plot causal effects of changes in policies...



Panel Discussion:

## Long-Term Dynamics of the Employment-to-Population Ratio

Karen Glenn, Social Security Administration  
Stephen Goss, Social Security Administration  
Nicole Maestas, Harvard University and NBER  
Julie Topoleski, Congressional Budget Office  
July 26, 2023

**2023, SI Economics of Social Security, Panel Discussion, "Long-Term Dynamics of the Employment-to-Population Ratio"**

Supported by the Alfred P. Sloan Foundation, the National Science Foundation, and the Lynde and Harry Bradley...

### National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

[Standards of Conduct](#)

FOLLOW



© 2024 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.