

[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](#)

Acknowledgements and Disclosures



Citation and Citation Data



Related

TOPICS

[Public Economics](#)

[Taxation](#)

[Other](#)

[Accounting, Marketing, and Personnel](#)

PROGRAMS

[Public Economics](#)

[Corporate Finance](#)

More from the 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 Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



Martin Feldstein Lecture, Summer Institute 2025
The Fiscal Future

N. Gregory Mankiw, Harvard University and NBER
July 10, 2025

2025, 17th Annual Feldstein Lecture, N. Gregory Mankiw, "The Fiscal Future"

FELDSTEIN LECTURE

PRESENTER: N. GREGORY MANKIW

N. Gregory Mankiw, Robert M. Beren Professor of Economics at Harvard University, presented the 2025 Martin Feldstein...



Methods Lecture, Summer Institute 2025
**Uncovering Causal Mechanisms:
Mediation Analysis and
Surrogate Indices**

Raj Chetty, Harvard University and NBER
Kosuke Imai, Harvard University
July 24, 2025



2025, Methods Lecture, Raj Chetty and Kosuke Imai, "Uncovering Causal Mechanisms: Mediation Analysis and Surrogate Indices"

PRESENTERS: [RAJ CHETTY](#) & [KOSUKE IMAI](#)

SlidesBackground materials on mediationImai, Kosuke, Dustin Tingley, and Teppei Yamamoto. (2013). "Experimental Designs...



2025, International Trade and Macroeconomics, "Panel on The Future of the Global Economy"

PANEL DISCUSSION

PRESENTERS: [OLEG ITSKHOKI](#), [PAUL R. KRUGMAN](#) & [LINDA TESAR](#)

Supported by the Alfred P. Sloan Foundation grant #G-2023-19633, the Lynde and Harry Bradley Foundation grant #20251294...

National Bureau of Economic Research

[Contact Us](#)

1050 Massachusetts Avenue

Cambridge, MA 02138

[617-868-3900](tel:617-868-3900)

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2026 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.