

Tax & Hockey – A Great Deal in Common

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During 2012 and 2014 I spent considerable time trying to identify and decode the bottlenecks that students at the undergraduate level face when learning tax. During that time I read a wonderful book¹ where the author described his experiences learning the game of baseball.

“In a gut sense it was pretty good because I enjoyed playing and learning. In a more analytical sense, it was pretty good because from the beginning I built up a feel for the whole game. I knew what hitting the ball or missing the ball got you. I knew about scoring runs and keeping score. I knew what I had to do to do well, even though I only pulled it off part of the time. I saw how it fit together.”²

He then extended this experience to learning subjects in school.

“We can ask ourselves when we begin to learn anything, do we engage some accessible version of the whole game early and often? When we do, we get what might be called a “threshold experience,” a learning experience that gets us past initial disorientation and into the game. From there it’s easier to move forward in a meaningful motivated way. Much of formal education is short on threshold experiences. It feels like learning the pieces of a picture puzzle that never gets put together, or learning about the puzzle without being able to touch the pieces. In contrast, getting some version of a whole game close to the beginning makes sense because it gives the enterprise more meaning. You may not do it very well, but at least you know what you’re doing and why you’re doing it.”³

Thinking that our students might relate to the game of hockey I developed this story in an attempt to help you identify with the many elements involved in learning the “game of tax” and the importance of playing the whole game as early in your education as possible.

This is a work in progress so feel free to send me your comments.

Basic Premise

Learning how to practice tax, at either a recreational or professional level, is a lot like learning how to play hockey, at either a recreational or professional level. It’s about learning how to play the game. At universities we need to help our students see and play the whole game of tax.

¹Perkins, David N. Making Learning Whole: How Seven Principles of Teaching Can Transform Education. Jossey-Bass, 2009

²Perkins, Perkins, David N. Making Learning Whole: How Seven Principles of Teaching Can Transform Education. Jossey-Bass, 2009, p. 2.

³Perkins, Perkins, David N. Making Learning Whole: How Seven Principles of Teaching Can Transform Education. Jossey-Bass, 2009, p. 9.

Hockey

In hockey it's about bringing all your skills together at a particular time, along with your knowledge of the rules and judgement that comes from experience, to respond well to the current circumstances, anticipate what will happen next and successfully develop and execute a plan. No two plays are the same; no two games are the same. Each time you go on the ice the circumstances are different. On the surface it looks the same; the ice, the boards, the bench, the referees, the opposing players, your teammates. But even if you are on the same ice with the same referees and teammates and opposing line, the plays are always different. You must bring your experience to bear to know where to be and what to do in a rapidly developing game.

Learn the Rules

All games have rules that are established and enforced. If you break the rules there are penalties. To play well you need to know the rules and how they are enforced by the referee. Penalties are not without cost.

Develop Your Skills

You can't start off at the professional level. First, you need to develop your knowledge and skills. You need to learn the language of the game, the rules, the terminology, the words and phrases; these don't mean much to an outsider but have meaning to those who are students of the game. You need to develop your stick handling, skating, passing and shooting skills. This requires many hours of lessons and practice to become good and many more hours to become excellent.

Play as a Team

Hockey is not a game played alone. If you try to play alone not only will you lose, it can't be called hockey. You need to learn how to play as part of a team, know what is expected of you in your position and what is expected of each of your teammates. Knowing when to pass and doing it accurately is a key part of the game as is being in position to receive a pass. And, you learn from your teammates; they help you become a better player by raising your level up to theirs. A team can easily outperform an individual. And, a well-performing team can defeat one that is playing shorthanded or is not playing well together.

Play the Game

Knowledge and skills alone will not make you a good hockey player. Playing hockey is much more than being able to skate. It's much more than being able to stick handle. These might make you a good spectator but to play the game you need to bring all of your skills and knowledge together in a fast-paced game where you identify opportunities, exercise judgement and anticipate what will happen next in order to help your team win.

How do you learn to play hockey? Regardless of your age when you start, you develop your knowledge and skills through drills and practice and through playing the game. It may be a pickup game on a pond, a backyard or a community rink. Or, it may be in an organized league. In all cases, the players learn what they are good at and what they need to work on from hands-on experience with other players.

Choose Your Goal

To become more than spectators you need to play in scrimmages, exhibition, regular season and playoff games to apply your knowledge and skills to develop the judgement that comes from game experience.

The level you achieve depends on your interest in the game, your commitment to excellence and your willingness to work hard. Some dream of playing in the NHL and work very hard to achieve this dream. Others enjoy the game but are content with the recreational league. In either case they need to learn the same basic knowledge and develop the same skills and judgement but apply them at a different level.

Tax

How is learning how to practice tax is a lot like learning how to play hockey?

Learn the Rules

Tax has an abundance of rules set out in the Income Tax Act, along with interpretations by practitioners, the Canada Revenue Agency (CRA) and the Courts. If you break the rules you will find that your client, and perhaps you, will be penalized. Since your advice will often carry an element of judgement and therefore risk of reassessment you can expect to have disagreements with CRA, resulting in successes and failures.

Develop Your Skills

As in hockey, you can't start off at the professional level. In tax there are rules of the game; we live by the rule book and the various sources of interpretation of these rules. There is a whole new language; words and phrases that only mean something to other tax professionals. There are skills that need to be developed; being able to identify tax issues, knowing what calculations are needed and understanding them well enough to anticipate the results before you actually crunch the numbers.

Play as a Team

Like hockey, tax is best not played alone. You need to know how to work in a team of professional advisors to accomplish the client's objectives. Within any transaction there are other implications that need to be considered, such as financial accounting, law, finance and strategy. Even within tax there are many sub-specialties. One person can't play all the positions. And, like hockey, you learn from your teammates; they raise the level of your game. Also, playing shorthanded is not a good idea. Having all the right advisors involved in the assignment will lead to a better result.

Play the Game

Knowledge and skills alone will not make you a good tax professional. You might be able to talk a good game or be able to do basic compliance. But to be a tax professional you need to bring all of your skills and knowledge together, in often evolving circumstances, where you identify opportunities, exercise judgement and anticipate what will happen next in order to help your team accomplish its goals.

How do you learn to practice tax? In hockey, you learn the knowledge and the basic skills while at the same time playing your version of the game. You don't spend months in skating and passing drills before attempting to play; you do it concurrently. And, you watch others playing the game to see how much better you could become.

Like hockey, students of tax need to learn the knowledge and skills but you can't spend all of your time attempting simple exercises and problems where you have the solution to refer to. You need to be learning the game at the same time.

Choose Your Goal

To become more than spectators you need to play in scrimmages, exhibition, regular season and playoff games to apply your knowledge and skills to develop judgement that comes from game experience. You need to attempt problems without solutions and take the risk in class to answer and ask questions to make sure you understand the material. You need to practice long and hard to get better.

What Does This Mean for the Classroom?

In the classroom we have become good at developing the skills. We help the students learn how to calculate such things as CCA/CECA, standby charges, different types of income, taxable income, tax payable, deemed dividends and many more.

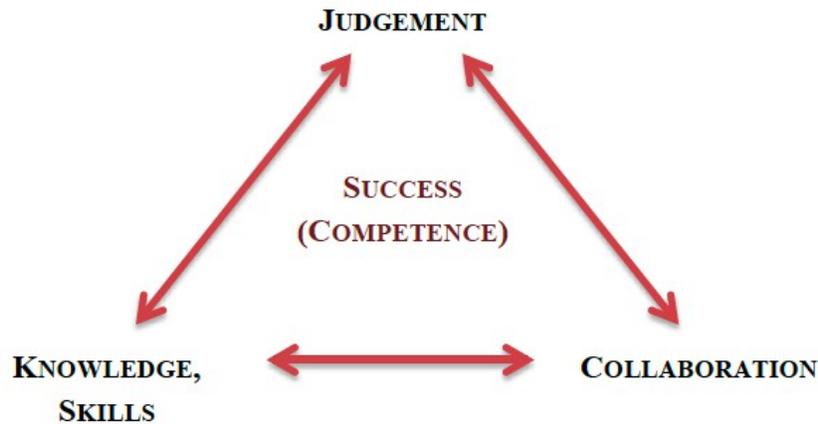
But this isn't inspirational. It doesn't give a sense of the breadth and depth of the game of tax. Students often view tax as a series of calculations (skill drills) to be mastered instead of an exciting, fast moving, game to be mastered.

We aren't so good at teaching them how to play as a team. Sure, we ask them to work in teams to do assignments but we often just hope they figure out how to work together well. Many times I expect assignments are completed as a group of individuals each performing a function with one person left to put all the pieces together.

We need to give students practice at playing the game in low-risk situations, the scrimmages and exhibition games that don't count for points, before they are tested in games that count. This type of practice is much easier to get when working in a tax practice where they actually are part of a team playing the game. But, how do we do this in the classroom? I think the best way is to use non-directed, real-life fact situation and ask students to work in a team to identify tax and related issues, research these issues, form alternatives and prepare a recommendation. By practicing this for class and students are prepared for assignments and exams where it really matters. This will develop knowledge, skills, understanding and judgement. Learning how to work well in a team will help them to perform better as an individual and accomplish more together than they could individually.

Let the game begin.

This diagram might help you see how the pieces fit together.



Knowledge	Information that you know
Skills	Routine calculations that you can do based on your knowledge
Judgement	The ability to identify issues in non-directed situations and apply your knowledge and skills to resolve the issue. “Flexible performance capability” ⁴
Collaboration	The ability to work together with others to learn from each other and perform better than you could as an individual.

⁴The Teaching for Understanding Guide, Tina Blythe and Associates, Jossey-Bass, San Francisco, 1998