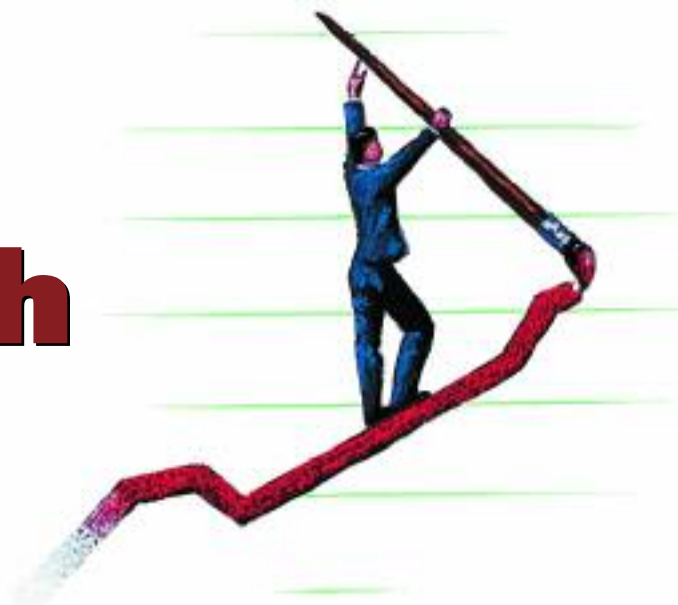




Tax Research Study

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CPAs Rate "Reliability" and "Up-to-Date Information" as Top Priorities in Buying Tax Research Products

by AICPA Custom Media Solutions

A new study by the American Institute of Certified Public Accountants indicates that CPAs value "reliability" and "up-to-date information" most highly among all comparable criteria in purchasing tax research products and services .

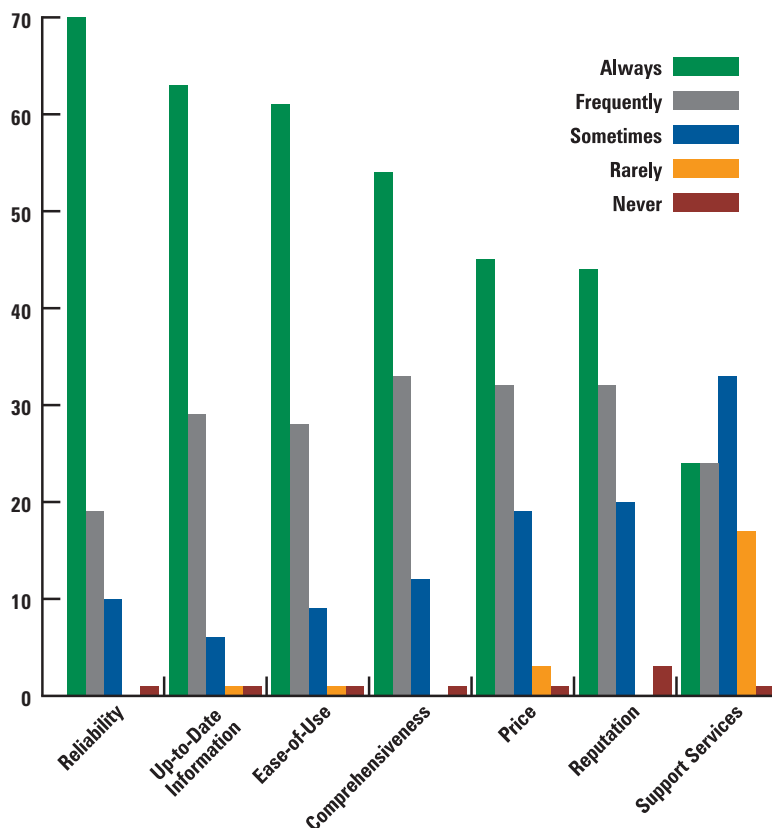
Seven in ten (70%) AICPA members responding to the survey rated "reliability" as "always" a consideration in "choosing tax research." At the same time, 63% said "up-to-date information" is "always" a factor. (See Exhibit.)

The study was undertaken to ascertain the relative values of selected criteria in choosing tax research. Tax research is a key area of activity and expense for practitioners. To the extent that tax research activities can be made more efficient and made to yield more advanced and valued services, they can also provide important operating leverage for practitioners.

Additionally, tax research products and services are developing rapidly with the advent of online access, evolving search mechanisms, broader aggregation of content and deeper analytical tools. While this clearly benefits practitioners through new options and capabilities, it also requires more complex purchasing decisions and closer monitoring of new vendor developments. Practitioners are encouraged to closely monitor new developments in tax research techniques and products in order to provide the highest levels of professional service.

The survey was e-mailed to 1,000 *Journal of Accountancy* subscribers. The survey was launched on March 3 and

Exhibit: How often do you consider these factors in choosing tax research products and services?



Source: AICPA Tax Research Study/AICPA Custom Media Solutions

"Fast, timely, accurate, authoritative and cost-effective. Is there anything else? This means it must be electronic."

Partner/Owner, CPA firm, 25-99 employees

closed on March 7 when 100 valid responses were logged. The study was supplemented with verbatim comments from additional survey respondents.

Respondents were asked to rate seven commonly used criteria in considering a tax research purchase: reliability, up-to-date information, ease-of-use, comprehensiveness, price, reputation, and support services. In addition, they were asked for certain demographic information and invited to submit additional comment.

Following reliability and up-to-date information, ease-of-use scored third in the list of purchase criteria, with 61% of the CPAs surveyed terming it a consideration "always."

Comprehensiveness was rated 54%, price drew a 45% rating, reputation 44%, and support services 24%.

The difficulties that practitioners face in selecting tax research were perhaps most aptly summarized by one respondent, a tax manager in private industry at a company with up to 1,000 employees. One package, the manager said, may be "usually the most up-to-date," but another may be "the easiest to use."

"The key factors for me are content and search engine capability and ease-of-use," said a senior executive at a company with more than 1,000 employees. "The pricing is fairly competitive and comparable I have found."

"Examples using actual calculations showing the mechanics of how the rules actually work is critical," according to a partner at a small CPA firm. "As you know the language of the law is very difficult to understand and unless you are extremely familiar with the particular rules it may take hours to understand what the law actually means."

But many factors clearly go into a tax research purchase. One owner of a small CPA firm said, for example, that the service and attentiveness of a sales representative can be decisive. "We will not depend on any service that does not have a very responsive local rep," said the CPA.

Quote, Unquote

Verbatim responses from the AICPA Tax Research Study

What's most important in choosing tax research?

**"Fast, timely, accurate, authoritative and cost-effective.
Is there anything else? This means it must be electronic."**

Partner/Owner, CPA firm, 25-99 employees

"Software search ease is more and more important."

Partner/Owner, CPA firm, 10-24 employees

**"Product must also provide state and local tax database
and planning ideas."**

Manager, CPA firm, 100-999 employees

**"We use a multitude of research products via CD-ROM,
Internet and paper subscriptions. All of them have good
and bad points. The end evaluation for choosing a
research product is based on an overall cost-benefit
analysis. Unfortunately there is no 'perfect' product
available at this time."**

*Tax staff, private industry, more
than 1,000 employees*

"Ease of search."

Partner/Owner, CPA firm, 1-9 employees

"Footnote referencing to authoritative sources."

Partner/Owner, CPA firm, 10-24 employees

**"Must be CD-ROM or online based for ease of use
and updates."**

Partner/Owner, CPA firm, 10-24 employees

**"One of the most important features for me is ease of
document links. Also I think it is vital that the software
provides various options to search."**

Partner/Owner, CPA firm, 10-24 employees

"Frequency of updates."

*Tax manager, private industry, more
than 1,000 employees*

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