

2015

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Recommended Citation

Linda Galler, *Why Do Law Students Want to Become Tax Lawyers?*, 68:2 Tax Law. 305 (2015)

Available at: http://scholarlycommons.law.hofstra.edu/faculty_scholarship/805

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Why Do Law Students Want to Become Tax Lawyers?

LINDA GALLER*

I. Introduction

My husband once asked my parents and several of their friends, “What is the secret to a good marriage?” Each of our elders had been married over 50 years to spouses with whom they had rock solid relationships. My husband hoped their insights and advice might help us as we made our way through a life as partners. Instead, as the opportunity to answer circled the room, each person shrugged, extended his or her hands palms up, or otherwise indicated no idea how to answer my husband’s simple but important question.

I thought a lot about that conversation as I prepared to write this essay. Like my husband’s inquiry so long ago, this one is both simple and important, and one might reasonably expect there to be a consensus answer. I asked a few friends who teach tax to law students and eventually posted the question on a listserv populated by law professors. I received no answers—not one. Just virtual versions of shrugs and extended palms. Some individuals shared their own stories, offering reasons why they had opted for careers in the tax field.¹ Although some of those tales were interesting (and some were not), none ultimately shed light on my query.

So I created my own list, which I share below. I’d like to think this list is based solely on observations of my students, but I suspect that some of the reasons are mine alone. In the end, I conclude that most tax professionals are attracted to our field by a combination of several, but not all, of the listed items, but that many of the items on the list are shared by all or most of us. With the exception of a growing interest in international tax practice (discussed below), I don’t think that the list has changed much over the last 25 or so years during which I have worked with aspiring lawyers. Perhaps this essay will prompt readers who already practice in the tax field to reminisce about decisions made in their youths. Even better, I hope it will nudge a few neophytes to seek careers in this marvelous field.

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¹ Stories like these are compiled in SECTION OF TAXATION, CAREERS IN TAX LAW: PERSPECTIVES ON THE TAX PROFESSION AND WHAT IT HOLDS FOR YOU (John Gamino, Robb A. Longman & Matthew R. Sontag eds., 2009).

As a preliminary matter, I note that the phrase “Death & Taxes” has its own Wikipedia page.² A recent study concluded that a majority of college students—and probably, therefore, law students—rely heavily on Wikipedia for course-related research.³ Perhaps my students comprehend the inevitability of death and taxes without Wikipedia, but once one stops to ponder mortality or the ubiquity of tax burdens, maybe it is only a small step to consider a profession whose members make their livelihoods easing the financial burdens associated with both.

II. Why Do Law Students Choose Careers in Tax Law?

A. *An Interest in Business or Financial Transactions, Generally, or in a Discrete Area Like Estate Planning, Employee Benefits, or Nonprofit Corporations*

Students with a broad interest in business or in specific areas in which tax issues predominate often choose tax careers. In my experience, these students tend to fall into one or more of the following groups:

1. *Undergraduate Coursework in Business or Accounting*

Often, students come to law school with undergraduate degrees or majors in accounting or business. These students tend to register for tax courses and are sought out by certain types of employers, most notably accounting firms.

2. *Interest in a Particular Type of Client*

Students interested in, say, advising small businesses or charitable organizations are attracted to tax careers, as are students who aspire to work on large financial deals or transactions. Students in this group first define the type of client with which they seek to work and then opt to work with those clients as tax advisors.

3. *Interest in International Practice*

Many students who are interested in international law or international business end up in tax careers. Indeed, an increasing percentage of my students are foreign born or educated (or both) and wish to work with clients in their home countries. When I practiced tax law prior to becoming a law

²*Death & Taxes*, WIKIPEDIA, last accessed Nov. 9, 2014, http://en.wikipedia.org/wiki/Death_%26_Taxes. The quote, of course, is attributed to Benjamin Franklin, who stated in a November 1789 letter to Jean-Baptiste Leroy that, “in this world, nothing is certain except death and taxes.” *Id.*; see also Manny Davis, *History of the Death and Taxes Quote by Benjamin Franklin*, BACKTAXESHELP.COM, Feb. 20, 2012, <http://www.backtaxeshelp.com/tax-blog/tax-news/tax-law-changes/ben-franklin-death-and-taxes.html>.

³Alison J. Head & Michael B. Eisenberg, *How Today's College Students Use Wikipedia for Course-Related Research*, FIRST MONDAY, Mar. 1, 2010, available at <http://journals.uic.edu/ojs/index.php/fm/article/view/2830/2476#p5>. In the spirit of this footnote, I mention the following tidbits gleaned from the “Death & Taxes” Wikipedia page: “Death and Taxes” is the title of four books, including a poetry collection by Dorothy Parker, two songs, and eight television show episodes. *Death & Taxes*, *supra* note 2.

professor, international tax was a niche practice area. Today, particularly in large firms, most tax lawyers practice, at least to some extent, in the international arena, with clients who are foreign investors in the United States or domestic persons with interests abroad, or both.

B. *An Interest in a Particular Type of Practice*

Perhaps a student is interested in a practice that emphasizes one set of skills—for example, litigation or transactional work. Tax offers a way to narrow the scope of such a practice in combination with building a depth of legal knowledge or practice experience. For example, a student who wants to advise small businesses and their owners on an ongoing basis might see an expertise in tax as a way of both attracting and servicing clients. Similarly, a student who is interested in litigation, generally, might seek to become a tax litigator so that her substantive expertise and experience in a limited practice area provide value and demand for her services.

C. *Opportunity to Work in Different Professional Environments*

Some students aspire to work in a single setting—for example, a large corporate law firm. Others like the idea of moving around. Tax lawyers commonly work in a variety of professional settings—large and small law firms, in-house (at corporations), accounting firms, or government agencies.⁴ In many cases, moving among these work environments is considered valuable training and helps to land new professional opportunities. So students who, say, want to work in a large law firm but don't have the academic credentials to land a dream job right out of law school can build their resumes through jobs in other professional environments. Those with a desire to spend time in government can reasonably anticipate that they will be employable in the private sector should they wish to move on at some point.

Many tax lawyers work in large organizations with substantial offices abroad. Students who look forward to the possibility of practicing U.S. law while living abroad, whether on a short-term basis or indefinitely, seriously consider careers as tax attorneys.

D. *Working with Others*

Tax practitioners are never isolated. In transactional work, for example, tax lawyers are part of a team consisting of corporate lawyers and lawyers with specialized expertise, such as securities law, labor law, and employee benefits law. There are often accountants involved, as well, not to mention in-house tax staffs. In individual representation, there may be financial planners or life insurance professionals involved. Thus, those who like to work with others often select tax as a career. As a bonus, most tax clients are reasonably

⁴Some of us are lucky enough to work in law schools. Other professional environments for tax lawyers include specialized tribunals or courts and consulting firms.

sophisticated in business or financial matters and are able to participate actively in their legal affairs.

E. *"I Thought I Wouldn't Like Tax, but I Do!"*

Not a school year goes by in which at least one liberal arts major who enrolled in my tax class with trepidation realizes that she really, really likes tax. There's no way to predict who this will be or when it will happen, but nothing in my teaching career compares with the "Aha!" moments I am so lucky to share.⁵ Some of these students take tax because they think they should,⁶ while others enroll because they have heard that a particular professor is a good or engaging instructor. Either way, many students opt for careers in tax simply because they like the classes and think they will likewise enjoy the career.

F. *"Tax Touches Everything"*

Students in my introductory income tax class hear me say, over and over, that "tax touches everything."⁷ While my admonition may be an overstatement, it is only a slight one. Students who seek to become, at once, both specialists and generalists are attracted to tax. They seek a field in which they will develop and offer their clients a specific expertise that affects varied types of financial decisions and life events.

G. *Intellectual Challenge*

Tax research and problem solving are cerebral exercises not suited for the faint of heart (or brain). While I cannot say that my best tax students are necessarily the smartest students in the law school, high ranking students certainly are overrepresented in my tax classes. Moreover, I am never surprised to see people interested in math and science gravitate toward tax. Tax problems are puzzles yearning to be solved, and students who can't sleep until they've solved the problems in their tax casebooks gravitate to tax jobs. Creative problem solvers are attracted to tax.

⁵Former students who may be reading this essay should know that my second favorite aspect of teaching is hearing from them. (Hint, hint.) These communications enable me to see that the seeds I helped plant have flourished and to entice alumni to mentor my current students and recent graduates.

⁶They are right.

⁷For example, during my class's "Tax in the News" discussions last semester, we considered how and whether Silicon Valley employees should be taxed on perks like lavish cafeterias, laundry services, and yoga classes; Olympic medalists' obligations to pay income tax on their medals and cash prizes; the tax consequences of selling a home for less than an outstanding mortgage; the tax bill faced by a California couple who found old U.S. coins buried underneath their property; and the tax treatment of large amounts of cash left by the anonymous "Tips for Jesus" guy. It's too bad I'm not teaching this semester when I could discuss the Kickstarter campaign that raised \$55,000 for a potato salad project. See Fred Benenson & David Gallagher, *Potato Salad: By the Numbers*, KICKSTARTER, Aug. 5, 2014, <https://www.kickstarter.com/blog/potato-salad-by-the-numbers>.

Some students like tax enough to spend an extra year in school, enrolling in a tax LL.M. program. In my experience, there are a range of reasons why students decide to take this route, but the possibility of a better job than they could get with only a J.D. is the one I most commonly hear. Students know that the year they spend immersed in tax law will be tough, and they relish the thought of doing it anyway.

Young tax lawyers do a lot of research and memo writing. Those who like this sort of thing generally like tax. Indeed, I know of at least one person whose longstanding arrangement with his firm is that research and writing (and providing advice to lawyers in the firm, but not to clients) are all that he does.

H. *Continuing Demand for Tax Expertise*

Given the substantive difficulty of tax law, expertise matters. Therefore, time invested in learning new concepts or techniques can pay dividends over the course of a career. Forward thinking students understand this. Moreover, tax law is relevant in both good economic times and bad; there are tax issues in mergers and acquisitions, and there are tax issues in bankruptcy and foreclosures. So it is likely that one can make a living over the long haul.

The tax law changes frequently, and those who relish “keeping up” enjoy this aspect of their tax careers. A significant part of tax practice involves studying changes in the tax law, evaluating how those changes affect existing client structures, and advising clients about the effects of such changes on future plans. Students who enjoy perusing the *Wall Street Journal* or the *New York Times* business pages⁸ often consider tax careers. (Keeping up with business news also helps lawyers learn about their clients’ businesses.)

I. *Not Rodney Dangerfield*

Tax lawyers don’t have much in common with Rodney Dangerfield. We not only get respect, we command lots of it. Whether it’s because we’re smart, or we know a lot, or our expertise is invaluable to clients and colleagues, when we talk, people listen.⁹ When a tax lawyer rejects a proposed corporate structure, that structure almost certainly won’t be used. When a tax lawyer proposes a corporate structure, very likely that structure will be used. Even esteemed lawyers practicing in other fields of law check with us before giving basic tax advice to clients.

⁸Current law students probably don’t read the business “pages” at all. They get their news online. See generally THE PEW RESEARCH CENTER FOR THE PEOPLE AND THE PRESS, *In Changing News Landscape, Even Television is Vulnerable: Trends in News Consumption: 1991–2012*, PEOPLE-PRESS.ORG, Sept. 27, 2012, <http://www.people-press.org/files/legacy-pdf/2012%20News%20Consumption%20Report.pdf>.

⁹Indeed, a reader cannot help but respect me at this moment for working Rodney Dangerfield and E.F. Hutton into one paragraph. An earlier draft also included a reference to the partnership antiabuse rules, but that seemed over the top.

III. Conclusion

Recent studies of the relative levels of contentment of lawyers in many areas of practice confirm my sense that tax lawyers are likely to be at the top.¹⁰

¹⁰See, e.g., “If You’re Happy and You Know It,” A.B.A. J., April 2015, at 13 (citing *Vault’s* 2014 Law Firm Associate Survey); “Switch to Your Firm’s Tax Group ASAP!” http://www.vault.com/blog/vaults-law-blog-legal-careers-and-industry-news/switch-to-your-law-firms-tax-group-asap?utm_source=WCU_Letter&utm_medium=Newsletter&utm_campaign=01_15_2015&referer_ID=7778&utm_source=&utm_medium=email&utm_campaign=87067#.VLg8Wv6SjzE.mailto; “And Biglaw’s Happiest Campers Are,” <http://abovethelaw.com/2012/10/and-biglaws-happiest-campers-are/>.