



How Stetson University Prepares Students for the Future of Tax with Blue J



Stetson University



Accounting & Taxation



Ph.D., Associate Professor of Accounting



DeLand, Florida

Background

Dr. Chambers has been a CPA since early 1980s, and owned her own firm for 14 years. At that time, she reflected on the times where she had the most fun professionally, and she realized that she enjoyed her part-time teaching stints the most. She decided to pursue her PhD in Accounting from the University of Houston. She then taught at Texas A&M – Corpus Christi for 14 years, culminating in her winning Texas teacher of the year. She then moved to Florida, joining Stetson University, and also serving on the Board of Directors of the Florida Institute of CPAs. Dr. Chambers' teaching focus is on Accounting and Taxation (including the Tax Research at Graduate level.)

Looking for Tools for the Future

When she thought about how she can best prepare her students for their future as tax and accounting professionals, Dr. Chambers has always had a strong practitioner focus, and is on the lookout for new technologies that could benefit practitioners. She asked herself, "what will students need when they are out in the profession? What does it take to practice? What do they need to know?" As she was pondering these questions about four years ago, she saw a presentation of the Blue J tax software, which applies Artificial Intelligence to tax planning challenges. That's when her investigation of the software kicked off.

"I knew that students need to adapt to new technology. At the same time, they also need to learn to think critically, and they need to apply tax in real-life situations. When I put these together, I thought, 'how do you train that?' A lot of it is teaching the students to ask the right questions... which is very different than getting them to memorize something. That's really where education is going to go in the future."

Dr. Chambers continues, "[w]hen I went to school, whoever knew the most facts won. Now everyone finds facts by turning to Google. Having facts is not particularly important anymore. What IS important is being able to ask the right questions, and take a set of results and interpret and apply them correctly."

How Blue J Works

"This is where I saw the value in the Blue J software. Blue J asks you to input the facts of your particular tax scenario, and then it is able to determine the strength of your position by comparing all the previous cases with similar fact patterns. It gives you a numerical prediction on how likely the courts are to rule for or against you, in your specific scenario. It also gives you a written explanation of the prediction, and it provides the key cases that drive your position."

"However," she adds, "students must think critically when evaluating how to answer the questions that Blue J poses, and must use judgment in applying the analysis to each individual case at hand. That is, Blue J greatly shortens the legwork that many practitioners learned in college, allowing practitioners to focus on the higher value-added parts of tax work."

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Stetson University*

How I use Blue J In My Classes

In order to help teach this professional judgement, she has her graduate students answer a tax planning question. For instance, she may provide an innocent spouse relief problem with two very different fact scenarios. She also provides a hypothetical IRS assessment and cost to defend their position. Using Blue J, students determine the likelihood of that position prevailing, and then calculate an expected value to compare to defence costs. Students then have to interpret results and decide if their original position a worthwhile position to pursue.

"The software really teaches them how to think about tax problems, and it develops their critical thinking. They have to analyze the scenario, and be able to answer the questions the software poses correctly. This teaches them to identify 'what's a good question?'" The software also enables students and practitioners to change the facts of the scenario and see the impact on the predicted outcome. This gives students a unique way to get a sense for why the question is asked, see the impact of factor changes, and helps them play with grey areas. They can dig deeper where there's ambiguity, and they'll start to see and recognize where the important areas are that they need to spend more time on. They can see the case background, and they even get a percentage predicted outcome (which accountants like), which they then use to make the determination to fight, or not.

Teaching Students to Use Power Tools

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knowledge as tax professionals. Now, students have access to a treasure trove of information on the web, but they don't have the curation skills. A lot of them do not have well-honed discrimination skills when it comes to the quality of information.

In our courses, we are placing increased value in students' ability to pick up a software and use it, and to use statistics to make a data-driven decision. So, Blue J fits perfectly- if used correctly. Students need to learn that they're not being replaced by the computer...the computer simply makes them more powerful.

Now that we've armed them with more power...we have to make sure they use it well. That's where education is going. Students now have the ability to make many, many better decisions, faster...it's like giving a 16-year-old a car instead of a bike. Ultimately they will use systems like this to implement a system of internal controls....using it in partnership with their professional judgement to identify risks. They will be able to be more secure in a highly litigious society. At the end of the day, it's like we are teaching these young tax professionals to use power tools!

The Value of Blue J to Practitioners

"When I think about how valuable this tool would be out in practice, it's clear. For instance, if I'm making an independent contractor versus employee call for a client, and I don't do it right, I get sued. I don't want to waste otherwise billable hours in a lawsuit. The Blue J tool provides an independent, 3rd party assessment that supports my professional judgement. Armed with this due diligence, the lawsuit becomes much less attractive for my opposition.

"If I were a practitioner, there are so many grey areas that require me to use my professional judgement. If I had access to a tool like Blue J where I could cross-check my thinking, I could significantly raise my standard of due diligence. If the tool agrees with my assessment, my position becomes nearly unassailable. The tool can prevent you from going wrong in the future, and acts almost like a set of internal controls over your research."

"Blue J doesn't replace the professional...you still have to use your professional skill to make sure you are giving the system the right information to analyze. You still have the 'garbage in, garbage out' problem. But once you're solid on your facts, if Blue J disagrees, you can clearly see why- all the cases are there. It's a really valuable support for your professional judgement."

"This is a way for the students to interact with tech, and it's very user-friendly. We use other research tools, but they don't do what Blue J does. The predictive value isn't there. I don't think anything else is even close to this stage of development for AI. I'm impressed with the product and how well it fits into the tax practice. Small firms need to be using it."



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