

be maintained of some sort. Second, it requires annual reports on financial transactions of almost all kinds that occur during any particular fiscal year. Third, it requires tax payments based upon ambiguous formulas from those who are expressly liable for payment of these taxes at the end of each fiscal year. These requirements have created the industry of accounting in the sophistication it enjoys today. Prior to extensive taxation, bookkeepers and accountants were maintained primarily to supply information relating to the economic conditions of a business at any particular time; that is, they would be able to relate all the figures and transactions involved in a business situation and report on the profit or loss of a company's entire operations or the profit or loss of any individual operation. As the tax system became more complex, the accountant's job became equally complex. Today an accountant must not only be able to compute the profit or loss of a company's operations, but also to classify or characterize each of these operations into a definition that would provide maximum tax advantages under the Internal Revenue Code. Because the trust is a taxpaying entity, accounting procedures that have been developed to save taxes or to clarify tax situations are valuable, and