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## Tax Maven

### The Contemporary Tax Journal's Interview with Mr. Steven K. Shee

By: Xiaoyue (Tina) Tan, MST Student

Steve is the Vice President of Tax for Applied Materials, Inc. He rose to the level of Tax Manager at Deloitte after completing his bachelor's degree in International Finance from the University of Southern California. After that, he worked at Hewlett-Packard for ten years. In 2009, he was appointed by SanDisk as the Head of Tax where he worked for nine years. When SanDisk was acquired, he decided to take a break from tax for two years. During the break, he taught at Foothill College and San Jose City College to share his valuable experience with young people. Steve advises: "Think what you want first, then take the right steps to get them."

Not only did Mr. Shee have such amazing achievement in the tax field, but he also has helped others. He has been helping the people who work for him succeed and is sincerely happy to see them advance. In this interview, Mr. Shee shared his views on taxation as a professional and offers advice for students preparing for a career in tax.

Following are Mr. Shee's answers from an interview conducted at his office on October 31, 2019.

#### **What is the day to day life like for the Vice President of Tax in a global company?**

Well, today, I got up at 7 am. I needed to run an errand, so I got into the office a little later than I normally do, a little after 9 am. Typically I get into the office between 8:15 to 8:45 am. Then I needed to catch up on emails with various subjects. Some emails are HR related, and the others are professional matters. For example, we have a Singapore audit currently, so we had some discussion about how the audit was going. As you can imagine, Applied Materials is a global company and lots of emails come through overnight from Europe and Asia when I'm sleeping. For example, we successfully concluded a tax audit in Asia and I congratulated the tax manager on a job well done.

Next, I had a meeting from 11 am to noon with employees to talk about an acquisition that we have been working on. Then I had lunch with an associate in tax. She wanted some career advice from me. Now I am with you. After this, I started a "Thursday Break" where all of us stop working. We take a half hour coffee break as a team. There is only one rule and that there is no talking about work. We talk about life, how to spend the weekend or Halloween. And then we will go back to work except today, I'll go home early for Halloween. So that is my day today. What does that mean? I spent three hours of my short six-hour day today on networking and relationship building. This is unusual. The routine day is that I come to work and always read 30+ emails. I will normally have two or three meetings. I conduct tax research and occasionally listen to a professional webcast to educate myself.

#### **How did you get involved in the tax field? Was that your plan when you were in college?**

Yes, my personality is that I always plan. I am not a very spontaneous person. Ten years ago, I knew exactly what I wanted, where my house would be, what cars I wanted to drive, and what school I wanted my boys to attend. I am a very deliberate person. When I chose the field of taxation, I was naïve and young. I liked both of the tax classes and instructors I had in college. I admired and looked up to them. They were full-time tax professionals just like me today, and taught part time. I thought that was a pretty good lifestyle. They drove nice cars, they were very polished, and they made a good living. It seemed like a very interesting area. The tax field is a combination of critical thinking and quantitative skills. I have the personality where I want to do many things instead of one thing. So that is why I picked the tax field. Thankfully I had a very good mentor from day one – my boss. I feel very fortunate to have pursued a career in tax.

**What stands out as one or two of your most significant accomplishments in your career?**

Years ago, most people thought of the Hewlett-Packard tax department as one of the best tax departments in the world. In fact, back then Mark Hurd was the CEO, sadly Mark passed away last week. He went on to become the CEO of Oracle Corporation. One time, my boss and I were in Mark's office and he commented that Hewlett-Packard had the best tax function in the world. That came from the HP CEO. Well, that meant a lot to me. I was very proud to be a part of that team. I was at HP for ten years. And then I joined SanDisk as the Head of Tax for nine years. Then SanDisk was acquired, and I decided to take a break from tax. I stopped doing tax for two years. So, the day I left, I called a bunch of people to say goodbye. One of the people I called was a tax lawyer of a very big firm I worked with. There was no reason for her to say anything but she said, "it is too bad, Steve, that you are leaving tax." Because SanDisk, in her opinion, had the best small tax department in Silicon Valley. That meant a lot to me. Those are the two biggest accomplishments. It is not just me, but it is about the team. I could not have done it alone, and I did not do it alone. I've had very good people working with me. My goal is that I want Applied Materials to be thought of as having the best mid-size tax department in the world. That is one thing I have not quite accomplished yet. I have done the large, the small, and I have started to do the mid-size.

**What do you think is the biggest challenge facing tax professionals today?**

Balancing interests. I think of taxable profit as a pizza. Each country wants a slice, but there is not enough pizza to go around. Everyone wants the biggest slice. The pizza is just so big. There are so many ways it can be sliced. I cannot create more slices than I have. That is the challenge. So, you will hear about things like BEPS and BEPS 2.0. You will hear about things like base erosion and transfer pricing. It is very simple as I explain it to a non-tax audience and companies who do not need to understand what BEPS or transfer pricing is. I give them the pizza analogy. Every country wants the big slice, there is not enough pizza to go around. How do you balance your profit so each country can be happy? That is probably the biggest challenge from an external point of view. From an internal point of view, the difference between my job and that of a partner of a Big 4 accounting firm or law firm is balancing interests within the company. Applied Materials is not doing tax for a living. We provide cutting edge technology to our clients to change the world. That is what we do. We are not in business for saving taxes. However, tax is a very large expense. Revenue is important, gross margin is important, COGS is important,

operating expenses is important, cash is important, inventory is important, and making sure employees are motivated is important. How do we balance all of this? How do we keep customers happy, keep our cash coming in, save taxes, and be more price efficient to attract and keep customers? We need to balance all of these interests. Externally, how do you slice the profit pizza. Internally, how do you balance all the company interests.

**What advice do you have for students preparing for a career in tax?**

Close your eyes, visualize this is your retirement party. You are 65 years old. You have met all your friends, colleagues, and families. Everyone congratulates you on your retirement. You start to reflect on your life. How do you look back on your career? Why do you feel so lucky to have had a dream career? Is it money, power, ability to change the world, or ability to see the world? The answer should drive what you want to do in your career. Likely, 99% of people on this planet do not plan their career ahead of time. Why do you want this job? You need to figure out what you want first in life, eventually, take the right steps to get there. That is my advice.

**What is your favorite aspect of your work?**

The gratification in seeing people who work for me succeed. When I retire from Applied Materials, I want to see three to five people that work for me be the Head of Tax for other companies. I hate to lose them, but I will take great pride in them doing well. I will be like a parent. Lots of my colleagues make fun of me that I see them as kids. I have many people who worked for me who are doing very well right now. I think that gives me the most satisfaction.