References for: Gio Wiederhold:
*Valuing Intellectual Capital, Multinationals and Tax havens*
Springer Verlag 2013

VIC Citations
This list includes all the references cited in Valuing Intellectual Capital [Wiederhold:13], as well as others that I have persued. For general information, I chose in [Wiederhold:13] a recent publication for citation, trusting that it will be easier to locate and cite earlier work. As is common in tax matters, opinions abound. Refereed material is italicized. Entries cited and listed in the Reference section of [Wiederhold:13] have [bold identifiers]; entries considered, but not cited are marked ‡. Entries marked † were used for [Wiederhold:06]. Transcription into the spreadsheet for VIC are marked [VIC xls /worksheet]. Shaded text is to be omitted in publication, but helpful for search or as an aide de memoire. I am adding [VIC chap#.section#] references. The notation [ACM] indicates its use in an ACM blog. A notation ε indicates its relevance to a draft article for a book on Ecological, Societal, and Technological Risks.

[ACM]

[Aaker:94] D. Aaker and R. Jacobson “The Financial Information Content of Perceived Quality”; *Journal of Marketing Research*, 1994. The benefits of advertising are limited to the period in which the expenditures are incurred. [VIC Ch.3.3].


[Aaron:13G] Henry J. Aaron: You Get What You Pay For: Lessons From the IRS Scandal; Brookings, 31 May 2013. Only 1% of returns is audited. $450B is uncollected. Each dollar spent auditing yields $8. [VIC 8,7.3]


There are many methods for predicting the future. For example, you can read horoscopes, tea leaves, tarot cards, or crystal balls. Collectively, these methods are known as ‘nutty methods.’ Or you can put well-researched facts into sophisticated computer models, more commonly referred to as ‘a complete waste of time’."

ADLittle: Development of a Methodology for Estimating the Taxpayer Paperwork Burden; IRS, June 1988. Time cost for individual and business taxpayers $1813M, $3,614M = total 5,427M hours. [VIC.xls /irs] [VIC 8.2.2]


AJCA: U.S. Congress: American Jobs Creation Act; H.R.4520, Title VIII, Subtitle A, Section 422 (a) “965(a)(1)”, 2004. Sect 801 deals with inversions. [VIC 2.5] [VIC 2.7]

Albinus: Phil Albinus: Fleeing Dodd-Frank, Hedge Funds Follow the Sun; Advanced Trading, 5 Jan 2012. Taxhavens protect bonuses. See [Kahn:12] As of early November, the number of funds located in Malta had grown to more than 500 with 8 billion euros ($10.7 billion) under management from 165 funds with less than 5 billion euros under management in 2006, according to the Malta Financial Services Authority, or MFSA.

AlcockBG: Alistair Alcock, John Bird, and Steve Gale: Alcock, Bird and Gale on the Companies Act 2006; Jordans, 2009. s.172 CA 2006, "to promote the success of the company for the benefit of its members as a whole". It sets out six factors to which a director must have regards in fulfilling the duty to promote success. These are: 1. the likely consequences of any decision in the long term, 2. the interests of the company’s employees, 3. the need to foster the company’s business relationships with suppliers, customers and others, 4. the impact of the company’s operations on the community and the environment, 5. the desirability of the company maintaining a reputation for high standards of business conduct, and, 6. the need to act fairly as between members of a
company. This represents a considerable departure from the traditional notion that directors' duties are owed only to the company.

[Liz Alderman:10] Liz Alderman: “In Ireland, Low Corporate Taxes Go Untouched”; The New York Times, 25 Nov. 2010. “The corporate tax is one of the pillars of Ireland’s economy, because it drives exports and jobs, and creates tax revenues for the government”; said Paul Duffy, a vice president at Pfizer in Ireland, one of the biggest multinational employers here. Raising the tax could scare away companies and “would damage a recovery and our ability to repay the massive debts we’ve taken on”; he said. / Critics, however, say that in addition to siphoning business from countries with higher corporate tax rates, some multinationals operating under Ireland’s tax rules use complicated schemes to move profits in and out of subsidiaries there. In some cases, that allows them to lower their effective tax rate, they say. / That has opened Ireland to criticism from countries like Germany, where Chancellor Angela Merkel must justify why taxpayers should help pay for another bailout package. The argument is that Ireland could be collecting more money from the companies it has lured. / Tax rates have become a contentious issue in Europe, where governments are competing as never before to lure badly needed foreign investments as the economic crisis weighs on growth.

[Feroz Ali:15] Feroz Ali: The Access Regime: Patent Law Reforms for Affordable Medicines; Oxford Univ. Press, 2015. India has often been called the ‘pharmacy of the developing world’ for providing high-quality and affordable generic and life-saving medicines. Having developed its own alternative model of conforming to the TRIPS Agreement, which is perceived as being in direct opposition to the US model of patent law, India has faced stiff opposition to its patent law reforms in the form of counter-provisions in the Free Trade Agreements entered into by the US and other countries.


[Jean Allain (editor): The Legal Understanding of Slavery: From the Historical to the Contemporary; Oxford University Press, 2012.


[Amadi:02] Confidence W. Amadi: Double Taxation of Dividends: A Clarification <http://www.westga.edu/~bquest/2002/double.htm>. “The greatest advantage of the corporate form of business organization is the limited liability protection accorded its owners. Taxation of corporate income is the price of that protection. This price must be worth the benefits since, according to the Internal Revenue Service (1996), corporations account for less than 20 percent of all U.S. business firms, but about 90 percent of U.S. business revenues and approximately 70 percent of U.S. business profits. The benefits of limited liability independent of those enjoyed by shareholders, the flexibility of change in ownership, and the immense ability to raise capital are all derived from the legal entity status accorded corporations by the law. This equal status requires that corporations pay income taxes. …


[Anderson:10]‡ David Anderson: Remodeling Pre/Post Conflict Development Assistance for Weak and Failing States; Entrepreneurship and Expeditionary Economics, Kauffman, Command and General Staff College Foundation, 2010. cites [Ketsdever:10]‡.

Starting 1999 to 2006 US company with a Possessions corporation transfer assets as a non-taxable contribution (sect.351) or non-taxable reorganization (sect.361) to a CFH in Bermuda or so. The Puerto Rico operation becomes a subsidiary of the CFH. “A taxpayer may claim that transfers from the § 936 place is properly treated as an intangible under § 367(d). Some taxpayers have argued that the workforce-in-place is a part of going concern value that transfers tax free to the foreign corporation. However, to the extent that workforce-in-place can be identified and valued as a distinct asset, workforce-in-place should not be viewed as part of foreign goodwill or going concern value.” [VIC 3.3].


[ArnoldM:13] Jaime Arora: Negotiating Transfer Pricing Safe Harbors Will Take More Time, Maruca Says; Tax Notes Today, 5 Jun.2013. Unclear that the concept will be effective as long as sometax havens are left.


[Athanasiou:18] Amanda Athanasiou: Canada Has Much to Lose From TCJA, Study Shows; Tax News, 13 Sep 2018

[AtkesonK:05] Andrew Atkeson and Patrick J. Kehoe: “Modeling and Measuring Organization Capital”; Journal of Political Economy; Vol.113 No.3, 2005, pp.1026–1053. Aging of initial investment implants- including knowledge. all costs are incurred early on, the blueprint. As uch the paper is interesting for Buy-in estimates. Results based on 1988 US data show that plant life is most frequently in the 16-20-year range while growth is greatest in the 6-to year range.


[BahreeB:12] [VIC xls / taxhavens]

[Bahl:16] Rajiv Bahl: The Economic Reactor, Creating Growth and Prosperity; Rupa Press, India. 2016. Economic Model, and advice, with some examples from India, by an entrepreneur, i.e., a non-economist. Compares many countries. Effective and destructive taxes. Need to limit bureaucracy. Much makes sense, but is not easy to achieve.


[BajajDFS:01] Mukesh Bajaj (Managing Director of Finance and Damages Practice of LECG, LLC), David J. Denis**, Stephen P. Ferris & Atulya Sarin: Firm Value and Marketability Discounts; working paper, SSRN. Managing Director of Finance and Damages Practice of LECG, LLC


[Banks:10] Nancy Turner Banks: AIDS, Opium, Diamonds, and Empire: The Deadly Virus of International Greed; iUniverse, Kindle, May 2010

[Banner:80] Donald W. Banner: "Pricing the Technology"; Domestic & International Licensing of Technology 1980, T. Arnold and J.T. McCarthy, Eds., Practi(s/c)ing Law Institute, 1980. Not at SUL. The source appears to be an annual treatise by an institute within NYU, but is not now publicly available. ??VVVV

[Baran:6x] Paul Baran Baran wrote about in the early 60's: that computer networking would bring about the decline of governments. JM had hoped to ask Kleinrock why it is that we so rarely hear of Paul Baran ("BEAR-en) NNNN


[Bartlett:12B] Bruce Bartlett: The Benefit and the Burden, Tax Reform, Why We Need It and What It Will Take; Simon and Schuster, 2012. Have. Excellent, covers all aspects of taxation and the imbalances created. But this three page proposal at the end has no numbers, exactly what he criticizes others about. [VIC xls/taxes]


[Bastiat:1850] Frederick Bastiat: What is seen and What is Not seen; delivered to the National Assembly, Paris, France. July 1850; in Essays in The economics of Freedom, What your Professors won’t tell you, Frederick A. Hayek. Original in French. have on Kindle


[Baxandall FS:12] Phineas Baxandall, Abigail Caplovitz Field, and Dan Smith: Picking Up the Tab, Average Citizens and Small Businesses Pay the Price for Offshore Tax Havens; CALPIRG, April 2012. Names many companies and has good references.


[BCA:82] British Court of Appeals: Manuel et al. v. Attorney General; Court of Appeal of England and Wales, Vol.822, p. 830, 1982. "that the British parliament could have legislated for a Dominion simply by including in any new law a clause claiming the Dominion cabinet had requested and approved of the act, whether that was true or not," then perhaps the British parliament can legislate for a crown dependency simply by including in any new law a clause claiming the crown dependency cabinet had requested and approved of the act, whether that was true or not" [VIC Chap.6.5].


[BEA:13] BEA: Industry date, GDP contribution by industry; Bureau of Economic Analysis, 2013. <http://www.bea.gov/Table/ITable.cfm?ReqID=5&step=1&reqid=5&step=4&isuri=1&402=5&403=1>; BEA computing industry total 2012 (line 92) 4.3%, estimated SW contribution 3.05%, relative to non-federal spending 3.51%.<xls/GDP> [ACM]


[BelenzonS:15] Sharon Belenzon and Mark Schankerman: " Motivation and Sorting of Human Capital in Open Innovation"; Strategic Management Journal, Vol.36, 2015: pp. 795–800. "This paper studies how business models can be designed to tap effectively into open innovation labor markets with heterogeneously motivated workers. Using data on open source software, we show that motivations are diverse, and demonstrate how managers can strategically influence the flow of code contributions and their impact on project performance. Unlike previous literature using survey data, we exploit the observed pattern of project membership and code contributions—the "revealed preference" of developers—to infer the motivations driving their decision to contribute. Developers strongly sort along key dimensions of the business model chosen by project managers, especially the degree of openness of the project license. The results indicate an important role for intrinsic motivation, reputation, and labor market signaling, and a more limited role for reciprocity. Copyright © 2014 John Wiley & Sons, Ltd"

[Bell:09a] Kay Bell: Tempting the Tax Auditor; Bankrate.com, 2009. Internalized spillovers of R&D. But if internal is not or cannot be protected then the is loss (example MRI scanners EMI to GE).


[Benioff:09] Marc Benioff: Behind The Cloud, the Untold Story of how Salesforce Went From an Idea ... ; 2009. On Kindle


[BennettW:13] Is College Worth it?: A Former United States Secretary of Education and a Liberal Arts Graduate Expose the Broken Promise of Higher Education; Thomas Nelson, 2013.


One could even ask if there’s a “modern system” for enterprise IT that combines agility, lean, service orientation, and other practices.
By comparison, the IRS conducted just 28,349 examinations of individuals who earned more than $200,000; last year, there were around 1.3 million of those types of examinations. Still, roughly 90 percent of the 1.4 million IRS audits conducted in 2009 involved persons earning under $200,000. By comparison, the IRS conducted just 28,349 examinations of individuals who earned more than $1 million. The bulk of the agency's audit resources are allocated to its Small Business/Self Employment division. 150000B for self-employed schedule C filers.


[BLS:04]‡ Monthly jobs lost 1Q94


Bohr:18] Niels Bohr: "It's hard to make predictions, especially about the future"; quoting a Danish expression in 1918. <for bohr date check in Teaching and Learning Elementary Social Studies (1970) by Arthur K. Ellis>


[BoortzL:06] Neil Boortz and John Linder: The Fair Tax book; 2006. States that 23% tax rate on all new goods and services is revenue neutral. No corporate tax. IRS abolished, turn over tax collection to be administered by states. Minus a prebate mailed monthly. Per [Barlett:11‡] a it is a flat like tax at 30% and rebates to individuals. Diatribe. Have. [VIC xts /taxhavens] [VIC xts /taxproposals]


[Brady:17c] Kevin Brady (sponsor): H.R.1 0 -- An Act to provide for reconciliation pursuant to Titles II and IV of the concurrent resolution on the budget for fiscal year 2018; 155 the Congress of the


[BriscoeOT:06] Bob Briscoe, Andrew Odlyzko, And Benjamin Tilly: “Metcalfe’s Law is Wrong”; IEEE Spectrum, 1 Jul.2006. It is more like n log(n) than n².


[Brynjolfsson:98†] Erik Brynjolfsson and Lorin Hitt: "Beyond the Productivity Paradox"; Communications of the ACM, Vol.41, No.8, August 1998, pp.49-55. Finley Intro: Economists estimate that adjusting for U.S. multinationals’ shifting of profit into low-taxed foreign holding companies results in significant changes to macroeconomic statistics, including a 1.5 percent increase in U.S. GDP.


[BusinessWeek:05] BW: Taxes: A race to the bottom; 4 April 2005


[Caldwell:13] Christopher Caldwell: “‘Dangers squared by a circle of liked, tweets and texts”; Financial Times, 19 Oct.2013, p.9. Review of [Egger:13]. "... the ideology, widespread among technology entrepreneurs, that 'knowledge property and no one can own it'


Tim Carney: How corporate tax credits got into the `cliff’ deal; Tax Notes. 2 Jan 2013.

[CGSCF:10] Entrepreneurship and Expeditionary Economics, Kaufmann, Command and General Staff College Foundation, cites ketsdev


[CerFk:00] Vint Cerf and Bob Kahn: "Ai Gore and the Internet"; 29 Sep. 2000, <http://amsterdam.nettime.org/Lists-Archives/nettime-l-0009/msg00311.html>. “As far back as the 1970s Congressman Gore promoted the idea of high-speed telecommunications as an engine for both economic growth and the improvement of our educational system. He was the first elected official to grasp the potential of computer communications to have a broader impact than just improving the conduct of science and scholarship [...] the Internet, as we know it today, was not deployed until 1983. When the Internet was still in the early stages of its deployment, Congressman Gore provided intellectual leadership by helping create the vision of the potential benefits of high-speed computing and communication. As an example, he sponsored hearings on how advanced technologies might be put to use in areas like coordinating the response of government agencies to natural disasters and other crises.


[ChapotonG88] O. Donaldson Chapoton and Lawrence B. Gibbs: A Study of Intercompany Pricing; Claitor’s publishing; Discussion Draft, U.S. Treasury Department, 18 Oct.1988. Also referred to as the 1988 White Paper. page 121. Cost sharing was originally viewed as a way to allocate intangible income among related parties without requiring the complex determination of intercompany royalty rates. See also preamble to the 1995 cost sharing regulations. page10: thousands of different transactions. IRS p.14 Acces to pricing information p15: access to foreigng accounts §982 for summons, p.21 Transfer of know how as services. p.54 Section 367. P.74 Safe
Harbor p.109 Risk, History of Cost Sharing On PC Kindle as study of Intercomp00unit.azw. Ordered. Foreign source R&D, Questions validity or arm's length (Chap.10).


[Chittum:10] Ryan Chittum: “How 60 billion are lost in tax loopholes”; Bloomberg Business Week, 21 Oct.2010. based on [Drucker:10b] [VIC Chap.2.6] [xls /forest] [ACM].


[ChoiH:04] Eun Kwan Choi and James Hartigan (eds.): Handbook of International Trade, Vol.1; Basil Blackwell, 2004. don’t have?

[ChoiH:05] Eun Kwan Choi and James Hartigan (eds.): Handbook of International Trade, Vol.2; Basil Blackwell, 2005. have. Disconnect of law and economics.


[Churchill:26] Winston Churchill: “Double Income Tax”; Hansard of the House of Commons, Vol.194, 26 April 1926, p.1705. In principle tax only residents, but on all income. Double taxation only occurs when a ‘person’ has more than one legal residence. Then give a measure of relief.

[Churchill:27] Winston Churchill: “Tax Avoidance”; Hansard of the House of Commons; Vol.205, 11 April 1927, pp.85-87. “it is clearly the business of the Government to watch for loopholes, and to propose remedial measures from time to time”., “t is our duty to close these loopholes as far as possible before they are so widely resorted to as to injure the revenue”;
Second, the effects of tax policy on multinational firms over the period 1982–2004. First, income shifting is examined by estimating the relationship between U.S. affiliate profit rates and foreign country tax rates. Second, the effects of taxes on multinational firms’ real operations across countries are considered. Estimates of both financial and real responsiveness to tax rate differences among countries are used to calculate how profits would differ from their current levels absent tax incentives, and thus how U.S. government revenues are affected. Finally, several policy alternatives are discussed, including formulary apportionment.


[CoburnH:12]‡ Tom Coburn with John Hart: Breach of Trust, How Washington turns Outsiders into Insiders;

[Coburn:12]‡ Tom Coburn: Statement; U.S. Congress, 20 Sep.2012. Congress is to blame, it’s all legal. Code is too complex. Thinks the difference is between 27 and 18% off shore, but its 4%.


Whether an employee's speech addresses a matter of public concern must be determined by the content, form, and context of a given statement, as revealed by the whole record.


Chuck Collins: Stop Corporate Tax Dodging; Talking Points and Background Information; Institute for Policy Studies, 23 Mar.2011. Picture of Ugland house

Lauren Collins: “House Perfect, is the IKEA concept comfy or creepy?”; The New Yorker magazine, 3 Oct.2011. Includes IKEA’s tax avoidance.

Julie H. Collins and Douglas B. Shackelford: Corporate Domicile and Average Effective Tax Rates; in [Slemrod:99]. Canada, Japan, UK, US. Does not consider Tax havens


Patrick D. Conner, E. Andrew Southerling: New SEC Chairman Mary L. Schapiro Pledges Swift and Vigorous Enforcement; Morgan Lewis Litigation Practice, 12 feb 2009


"Whether an employee's speech addresses a matter of public concern must be determined by the content, form, and context of a given statement, as revealed by the whole record”.


Farok J. Contractor: The Composition of Licensing Fees and Arrangements as a Function of Economic Development of Technology Recipient Nations; Journal of International Business


[CowdenV:11] Stephen Cowden and Jans van der Woude: Reed-Elseviers 20-F report to the SEC, for FY 2010; SEC Edgar-online, 2011.

[Cowen:11C] Tyler Cowen: Corporate Income tax as a share of Corporate profits; Marginal Revolution, 17 Nov 2011. Nice Graphs. Corporate Tax should be zero. Used in Figure AppG.3. <<from [CowenT:11]??>>


[Coy:13B] Peter Coy: “In Job Creation, Big Is Often Better”; *Bloomberg Businessweek*, 15 Apr.2013, p.16. Big companies have more money to invest in growth, are more global. [VIC 9.2]

[Coy:13E] Peter Coy: “The Rise of the Intangible Economy”; *Bloomberg Businessweek*, 22 Jul.2013, pp.6-7. The BEA will add costs of generating IP, as R&D and Movies to the GDP, increasing it by 2.7%. In 1977 tangible investment was about 10% of gdp and intangible about 8%; in 2010 the estimates are 7% and 14%.


[Cray:09] Charlie Cray: Obama’s Tax Haven reform: Chump Change; *CorpWatch*, 15 June 2009. [VIC 8.9]


[Cringely:92] Robert X. Cringely: Accidental Empires: How the Boys of Silicon Valley Make Their Millions, Battle Foreign Competition, and Still Can’t Get a Date; Addison-Wesley, 1992. Recommended by James M. Kaplan for business-technology. Microsoft’s acquisition of Q-DOS. IBM’s decision to build the PC. Apple’s growing pains. Many of the seminal events of the early personal-computer industry have been told again and again. Yes, Cringely touches on some many-told tales, but he also delves into aspects of the technology industry that few talk about. Just one example: how Microsoft applied Charles Simonyi’s concept of the “metaprogrammer” to build a “software factory” that hired thousands of inexperienced computer-science majors to build the world-conquering applications of the 1980s and 1990s.


[Daily:02] Frederick W. Daily III: Stand Up to the IRS; Nolo, 2002. Many numbers. Org chart Individuals only have an out-of-state family corporation. Criminal div: 4500 people, IRS processes over 125 tax returns. 200 M filings, 25% auditors, 15% Collections = 40% of 92,000 = , 3% criminal investigators. 57% operations [Daily:09]‡. The Office of Tax Shelter Analysis (OTSA) in the LB&I Division collects and analyzes information about abusive tax shelters and transactions, and coordinates LB&I's tax shelter planning and operation. 1500 attorneys in Office of the Chief counsel. 47,000 for small business and self-employed. Only 290 in LMSB in DC, PA NY IL TX CA.


[Dalsgard:08]‡ Thomas Dalsgaard @International Monetary Fund: Japan’s Corporate Income Tax – Overview and Challenges; IMF Working paper, WP/08/70, March 2008.


Aswath Damodaran: Valuing Brand Names, Flexibility, and Patents; Stern School of Business, Jan. 2006, 73pp. <MISQ file> Focuses on Options. Quotes Leonard Nakamura on Investment in Intangibles $1 trillion in 2000, and $6T capitalized value. (implies life?).


Andrew Danowitz, Kyle Kelley. James Mao, John P. Stevenson, and Mark Horowitz: CPU DB: Recording Microprocessor History; CACM Vol.55 No.4, April 2012.

Joseph B. Darby IIIII and Kelsey Lemaster: Do Aroma:27 Pasquale d’Aroma, chair Committee of Technical Experts on Double Taxation and Tax Evasion: Double Taxation and Tax Evasion; League of Nations report G.261 M85, 1927.II. Geneva, April 1927, scanned and re-typeset by Michel J. McIntyre, 8 Feb.2004 at the University of Michigan. Section I, Impersonal taxes Article 4. Income from shares or similar interests shall be taxable in the State in which the real centre of management of the undertaking is situated. Article 5. Income from any industrial, commercial or agricultural undertaking and from any other trades or professions shall be taxable in the State in which the persons controlling the
undertaking or engaged in the trade or profession possess permanent establishments. ... The real centres of management, affiliated companies, branches, factories, agencies, warehouses, offices, depots, shall be regarded as permanent establishments. Should the undertaking possess permanent establishments in both Contracting States, each of the two States shall tax the portion of the income produced in its territory. The fact that an undertaking has business dealings with a foreign country through a bona fide agent of independent status (broker, commission agent, etc.), shall not be held to mean that the undertaking in question has a permanent establishment in that country. Should the undertaking possess permanent establishments in both Contracting States, each of the two States shall tax the portion of the income produced in its territory. Article 7.

Salaries, wages or other remuneration of any kind shall be taxable in the State in which the recipients carry on their employment. Salaries of officials and public employees who are serving abroad shall, however, be taxable in the State which pays these salaries.


[DavydenkoSZ:12] Sergei A. Davydenko, Ilya A. Strebulav, and Xiaofei Zhao: , A Market-Based Study of the Cost of Default; to appear, 2012. University of Toronto, Rotman School of Management (D&Z), Stanford University, Graduate School of Business, and NBER (S)


[DeHoon:12] Iven de Hoon: Tax advice is our passion, our passion is your benefit; Brochure, Antwerp, Belgium. 2012. Straightforward information on Hong Kong, Curacao, Isle of Man, Luxembourg.

http://online.wsj.com/news/articles/SB10001424052702304069604579155574144339330

Z. Deng and Baruch Lev: “In-process R&D, to Capitalize or Expense?”; The Journal of Engineering and Technology Management, March 2006, pp.18-32. An IPR&D charge may signal future earnings growth to investors. Deng and Lev found that investors value the acquired R&D differently from goodwill. They concluded that investors perceive, on average, the fair market values assigned to IPR&D projects as credible indicators of asset values. A company with a larger IPR&D charge is more likely to be rewarded by investors in postacquisition periods.


Steve Denning: Why Amazon Can't Make A Kindle In the USA; Forbes, 17 Aug.2011. The loss of manufacturing skills comes after offshoring.


[Denning:13C] Steve Denning: Did Ronald Coase Get Economics Wrong; Forbes, 25 Sep..2013. Now we have the creative economy. Cites Andrew Hill (no, due to C-suite compensation, Oligopolies, getting government breaks, financial engineering, hiding low RoI), Vitri (yes, diseconomies), Hagel (scalable learning, decentralize organizations around employees, needs paradigm shift), Roger Martin (distinguishes algorithmic versus heuristic work – requiring smarts, often from external Sources)

[Denning:14C] Steve Denning: Clayton Christensen: Do We Need A Revolution In Management?; Forbes, 26 May 2014. Outsourcing, Apple Foxconn, and TSMC. [VIC Chap.6.3]

[Denning:14H] Steve Denning: Has Capitalism Reached a Turning Point?; Forbes, 26 Sep. 2014. Reformation – Luther, Zwingli. [VIC Chap.6.3]


[DesaiD:08]† Mihir A. Desai and Dhammika Dharmapala: Taxing the Bandit Kings; Yale Law Journal Pocket Part 98, YLJO Essay, 17 Nov.2008. On sovereign wealth funds. SWFs are tax-exempt, but still should not be taxed by the US per §829.


[DeToqueville] Alexis de Toqueville: Democracy in America; On Kindle.


[DevereuxH:03] Michael P. Devereux and R. Glenn Hubbard: "Taxing Multinationals"; International Tax and Public Finance, Springer, Vol.10 no.4, Aug.2003, pp.469-487. Formal model shows that worldwide taxation is not optimal even with credits and deductions if foreign taxes are high, but not if low, as in taxhaven. Deferral is limited and is at full rate.


[Doebele:04] Justin Doebele: “Flex Forward: Flextronics’ Michael Marks says that outsourcing can only get much, much bigger”; *Chief Executive*, 1 July 2004.


Founders of Dusquesne Capital favor zero income tax and taving dividends and Capital gains at income rates. Will grow the economy dramatically and increase government revenue. [VIC Chap.10.7.4.3]

There is only one valid definition of a business purpose: to create a customer. [Drucker Chap.73]


[Drucker:11M][‡] Jesse Drucker: “The more you make, the less you pay”; Bloomberg Businessweek, 11 April 2011. Examples of individual ploys.


[Drum:11] Kevin Drum: Chart of the Day, Corporate Taxation in America; Mother Jones, 17 Nov, 2011. Chart used in Ch10.3. Based on Federal Reserve Bank, St.Louis (FRED) data, graph by Felix Salmon [Salmon:12]: [ACM] [VIC Chap.10.3]


[Dumagan:95] Jesus C. Dumagan: Examining the Cost-Effectiveness of the Research and Experimentation Tax Credit; Office of Business and Industrial Analysis, US Department of Commerce, June 1995. Corporate R&D spending increased by $2 for every $1 of tax credit. Excludes work done outside the US governmental sponsored research, and social sciences research. [VIC xls /taxexpenditures]

sources, subsidiaries companies. Used Federal contract obligations can be found at USA Spending, www.usaspending.gov


[DuPont:79] E.I. DuPont de Nemours & Co. v. United States, 608 F.2d 445 (Ct. Cl.1979). The basis for use of the Berry ratio. [VIC .5.3.5]


[Dutta:07] Soumitra Dutta: Recognizing the True Value of Software Assets; INSEAD report, Nov. 2007, <http://www.insead.edu/facultyresearch CENTRES/ELAB/PUBLICATIONS/DOCS/INSEAD REPORT4.PDF> Survey results: SW assets are very important, but their size or value is not known, 30% in Europe don’t know the spending. Most SW is older and hard to retire. Six reasons why SW should be valued. Cost, market, and income approaches. Income is best.


[Dwoskin:12D] Elisabeth Dwoskin: “Defender of Last Resort”; Bloomberg Businessweek, 9 April 2012. Long article on Nina Olson, the national taxpayer advocate. Focus on individual tax returns.


[DyeGG:07] Ronald A. Dye, Rajiv Gokhale, and Timothy Guimond: Valuation Issues Related to Buy-in Payments in Cost-Sharing Agreements; Columbia Univ. Report 72157, Oct.2007. http://www4.gsb.columbia.edu/filemgr?file_id=72157. Royalty versus Lump sum. In this section, we observe that when the taxpayer elects to have the sub make a sequence of royalty payments, the taxpayer has an incentive to overstate its projections of the sub.s post buy-in sales. In contrast, when the taxpayer elects to have the sub make a lump-sum payment, we observe that the taxpayer has an incentive to understate the sub.s post buy-in sales.


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[E&Y:xx] Ernst & Young License Agreement Library.


[Economist:11G] The Economist: GDP forecast; The Economist, 11 July 2011. Fig in references


[Economist:11O] The Economist: Owe Dear; The Economist, 18 July 2011. International Debts, Fig in references


[Economist:12A] Economist: “Over-regulated America, The home of laissez-faire is being suffocated by excessive and badly written regulation”; *The Economist*, 18 Feb 2012. The focus here is on the Dodd-Frank bill derived regulations, but has broad applicability.


[Economist:12S] Economist: They sell sea shells, The companies that form companies are a shadowy world and (see article) a thriving industry; Economist, 7 Apr.2012. Profiting from bilateral treaties. With Tax havens extract, [Economist:13F]


[Economist:13] Economist: Tax havens, The missing $20 trillion, How to stop companies and people dodging tax, in Delaware as well as Grand Caymans; *Economist special report*, 16 Feb.2013. Ten articles: Storm survivors; Enduring charms; The good, the bad and the Ugland; Not a palm tree in sight; Automatic response; The price isn’t right; The merry enablers; Rise of the midshores; Who’s the criminal?; Sunshine and shadows. Excellent bibliography.
[Economist:13C] Economist: After the personal computer; *The Economist*, 6 July 2013, pp.60-61. Useful quantitative data about the PC industry, Taiwan, China, and the move to mobile.


[EEtimes:07] Editors: How to keep engineers happy; EE times 18 June 2007. 7%/year average . with graphs in turnover, training needed, ...


Expenditures: The Returns to R&D and Advertising


[ErnstRR:14] Christof Ernst, Katharina Richter, and Nadine Riedel: Corporate taxation and the quality of research and development; Journal of International Taxation and Public Finance, Springer, 4 May 2014. Compares low corporate taxes versus tax incentives, using European patent data. [VIC Chap.10.5.1]

[Eslinger:18]: Bonnie Eslinger: HP Treated Startup Like Slaves, Jury Told As Trial Wraps; Law360, San Jose, 11 Oct. 2018. -- A startup alleging Hewlett Packard took tens of millions of dollars in software and services for a Malaysian banking-system project without paying

[Estevez:05] Valentin Estevez Rios: Liberals, conservatives, and your tax return, partisan politics and the enforcement activities of the IRS; University of Chicago, 2005. Differences in audit rates under Democratic versus Republican administrations.


[EU:10]‡ [VIC xls /GNP&GDP


[EzraitiMcM:12]‡ Lester Ezrati and John N. McMullen: Statement to Congress; Senior Vice Presidents Hewlett-Packard Company, Permanent Subcommittee on Investigations, U.S. Congress, 20 Sep.2012. HP has 320,000 employees, 80,000 in US. 10.3B us wages. $3.3B R&D, 2/3 in US. ETR 21.2% 656 role of alternating short term loans. $1.9B average. 9% of capital. Rule avoids BCC Belgian coordination center is its bank, also has a similar Cayman subsidiary. Reasons from indefinitely reinvested. Indefinite reinvestment APB 23 tempotary outside basis differences, has an exceptions. Section 956.

[FFFFFFFFFF]

[FaderHH:03]† Peter S. Fader, Bruce G. S. Hardie, Chun-Yoa Huang: A Dynamic Changepoint Model for New Product Sales Forecasting; Wharton School of Business, Univ. of Pennsylvania, Online reports, July 2003.


[FASB:85] Financial Accounting Standards Board: Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed - FAS 86; 1985. The capitalization of external use software development costs is required once functionality is demonstrated. Customer maintenance and support costs for computer software should be expensed when related revenue is recognized or when those costs are incurred, whichever occurs first, <but not as R&D-gio> From [LevS:96] In 1985 the FASB made an exception to the full expensing requirement for some software development costs, see FAS No.86 (Eccher, 1995). In several other countries R&D capitalization is allowed and even required. For example, in the UK, SSAP 13 requires that expenditures on pure and applied research should be written off as incurred, but development expenditures may, in certain defined circumstances, be deferred to future periods. The Canadian Standard (section 345 of the CICA Handbook) goes further to require the deferment of certain development expenditures. The International Accounting Standard, IAS 9, is generally in line with the Canadian standard with respect to R&D capitalization.

[FASB:01] Statement 142: Annual statement required re impaired intangibles <what is included> and goodwill – no longer based on a fixed amortization schedule, [VICchap 3] [Martin:11, 620]. Used to match Intangibles to market cap, what is included?


[FeenstraH:04] Robert C. Feenstra and Gordon H. Hanson: Global production sharing and rising inequality: A survey of trade and wages; in [ChoiH:03], pp.146-185. Strongly suggests that globalization has contributed significantly to income inequality.


[Feinschreiber:04] Robert Feinschreiber: Transfer Pricing Methods: An application Guide; Wiley, 2004. There has never been an easy-to-use and convenient book that addresses salient and fundamental transfer pricing issues . . . until now. Designed to specifically assist mid-sized businesses facing transfer pricing issues now and in the future, Transfer Pricing Methods is a comprehensive guide that provides in-depth coverage of various transfer pricing methods and applications that are available to today’s mid-sized corporations. An invaluable reference for all tax managers, CEOs, and CFOs, Transfer Pricing Methods provides a practical focus on the techniques available and their consequences. Featuring contributions from industry experts, complete coverage includes: Comparable profits methods Cost sharing Transactional net-margin method Adjustments of interest rates Resale price techniques Benefiting from the cost-plus method Market share Organisation for Economic Co-operation and Development guidelines Life-cycle analysis Use of multiple-year data.


every day in all the work about transfer pricing," he said. "Don't we really have to acknowledge
that it's a tax policy choice rather than an abstract intellectual exercise.", "the rules in place
for Joint Select Committee, many good Options; EPI, The Century

OECD Transfer Pricing Guidance Must Account for
Practical Realities, Stack
some of these elephants in the room in our work in this space, try to draw them out so we get to a better place, and do it in a way so that it’s not merely a rewriting of the technical rules?"

[Finley:18N] Ryan Finley: “No Apologies for IRS’s Transfer Pricing Litigation Record”; TaxNotes.com, 8 Jun 2018; Comments on presentation by Kenneth Wood, IRS deputy associate chief counsel (international), defending the IRS’s interpretation of section 482 and the section 482 regulations June 7 at the global transfer pricing conference in Washington sponsored by Baker McKenzie and Bloomberg Tax. Referring to the IRS’s unsuccessful attempts to apply pro rata-based intangible valuation methods in high-profile U.S. Tax Court cases, Wood said there was nothing wrong with the economic analyses performed by the IRS.


[Flatley:14] Jay Flatley: The Gene factory; New Yorker Magazine; 6 Jan 2014. At Illumina ‘It’s one thing to sell Coke and another thing to sell the formula for Coke’


Bradley A. Fowler: "What Do Venture Capital ‘Pricing’ Methods Tell About Closely Held Firms?"; Business Valuation Review, June 1989, pp.73–79. Startup: 70-50%, First stage (testing prototypes) 60-40%, Second stage (sample products, no income) 50-35%, Third stage (revenue growth, net loss) 50-30%, Fourth stage (rapid growth, modest risk) 40-30%, Mezzanine (6 months before IPO) 34-25%.


Simone Foxman: “Citi’s Chief Economist Rips the US Tax system For Almost Giving Him ‘a Nervous Breakdown’” Business insifer, 21.Mar21012. Citigroup’s chief economist Willem Buiter said on Bloomberg Radio Tuesday, fiscal policy at the federal level we’re talking about now is a complete disaster. “As a U.S. citizen, I had to try and get the data together to give to the person who prepares my tax returns, and I almost had a nervous breakdown collecting the data! The US tax system is completely incomprehensible! My wife and I are both PhD’s in economics — both of us! — and we can’t make head or tails of it.”


Milton Friedman: Capitalism and Freedom, The Distribution of Income; University of Chicago Press, 1962. "All things considered, the personal income tax structure that seems to me best is a flat-rate tax on income above an exemption, with income defined very broadly and deductions allowed strictly for defined expenses of earning income” [p.174].


Milton Friedman: On the 1986 Tax Reform; Wall Street Journal: 7 July 1986. The end result is a tax system so complex that literally no one can master it in full detail. --From the citizens' point of view, the function of tax legislation is to decide who shall pay how much to finance government spending. But from Congress's point of view, tax legislation has an additional and very important function: It is a way to raise campaign funds. Why is it that hardly a year passes without a new tax bill? The reason is that so long as a tax bill is under consideration, with many billions of dollars at stake, lobbyists are actively pressing for the introduction or retention of special provisions to benefit their clients. And so long as lobbyists are active, thousand-dollar-a-plate dinners and similar devices will tap them for campaign funds. That is why members of
Congress put such a high value on being assigned to the Ways and Means or Finance committees. And that is also why Congress has denied the citizenry the benefit of a stable tax system, changed only at long intervals, to which individuals and enterprises could adjust, rather than having to cope with continual and complex changes year after year.


[Fuller:09] James P. Fuller: U.S. Tax Review; Tax Notes Int’l (TA), Vol.54, June 1, 2009, p.773, 776. [VIC Chap.3.3]

[Fukuyama:91]‡ Francis Fukuyama: The End of History and the Last Man; Free press, 1991; reprint, 2006. At Johns Hopkins. Predicts integration and liberal democracy eventually globally, and no stable communism. Theories that can be tested within 20 years?. Concepts from Hegel and Nietzsche influenced new geopolitical policies from the US. In the light of those policies, his ideas are changing, in public. See also Huntington.


[FulghumSB:12] David Fulghum, Bill Sweetman, and Amy Butler: “China’s Role in JSF’s Spiral Costs”; Aviation week, 2012. Foreign contractors have coaxed loss of protected IP.


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with the tax code than larger competitors, 2 billion hours or ~$18B annually, corporate only
would increase taxes paid by individual owners of pass-through usinesses by 8% or $27B
annually. 77% are organized as S-corps, LLCs. LLPs, or Sole Proprietor ships.

expenditures in the US 1993 $403B, stable laws. The UK provides no tax relief on second homes.
Ref to effect of changes in capital gains.

Solution; Economic Studies, Brookings Institution, 22 July 2010. VAT

[Gale:H:11] William G. Gale and Benjamin H. Harris: Don’t Fall for Corporate Repatriation; Politico,
Brookings Institution, 27 June 2011. 1.5Trillion offshore. [ACM].

mortgage deductions. No AMT and 30% tax rate for income above $1M, “raising taxes is a better
way to control spending -- making the cost of spending clear and current”

history


Control aggregate. Ryan sunset and limiting proposals, Diverse suggestions.

[Gannes:10] Liz Gannes: “Case studies in freemium: Pandora, Dropbox, Evernote, Automattic and
pandora-dropbox-evernote-automattic-and-mailchimp/. from Sonny Chan CS207.

[GAO:85] Tax Administration, the federal/state tax information exchange program; GAO report to the
Commissioner of Internal Revenue , December1985. Nothing specific, based on sample

[GOA:94] GAO, Tax Administration: Compliance Measures and Audits of Large Corporations Need Improvement,

[GAO:95] GAO: International Taxation: Transfer Pricing and Information on Nonpayment of Tax; U.S.

Progress but Major Challenges Remain (June 1996).

[GAO:97] GAO Tax Administration: Factors Affecting Results from Audits of Large Corporations,GAO/GGD-

[GAO:98] Tax Administration: IRS Measures Could Provide a More Balanced Picture of Audit Results and Costs,
GAO/GGD-98-128 23 Jun.1998. 18IRS’s computer matching programs obsolete

[GAO:03] GAO: IRS and TIGTA Should Evaluate Their Processing of Employee Misconduct Under
Overdoing it leads to personnel problems.

[GAO:04] GAO, International Taxation: Tax Haven Companies were More Likely to Have a Cost
Advantage in Federal Contracting; U.S. General Accounting Office report GAO-04-856, Jun.2004,
27pp.

Strategic IRS Approach to Reducing the Tax Gap; Government Accountability Office, report
showed that 61% of large corporation by revenue or assets paid less than $1M in taxes, while 37%
paid less than $100,000.

2005. Cost of Compliance


[Garst:11] Huntsman Plan Targets Double Taxation. Posted by Brian Garst on Aug.31, 2011; Eliminate The Taxes On Capital Gains And Dividends In Order To Eliminate The Double Taxation On Investment. Capital gains and dividend taxes amount to a double-taxation on individuals who choose to invest. Because dollars invested had to first be earned, they have already been subject to the income tax. Taxing these same dollars again when capital gains are realized serves to deter productive and much-needed investment in our economy.


[George:11] J. Russell George: Management and Performance Challenges Facing the Internal Revenue Service for Fiscal 2012; Inspector General for Tax Administration, TIGTA, 14 Oct.2011. Tax law changes, specifically from the affordable Health care Act (HHS), includes tax credits. Earned Income Tax Credit EITC payment, Additional Child Tax Credit, Hope Scholarship cridt (dep.education), Refundable adoption credits, Electric vehicle credit (transporation), Hombuyer credit, Globalization Holdings have grown from $188B to in 1976 to 14.5T in 2007. Lack of information. Dealing with differing jurisdictions. Focus on high-risk cases. FATCA, Significant foreign opposition to FATCA. Solution is to withhold 30% of payments to foreign financial institution - but does not address IP. .. Effort needed to implement changes. Human capital “attempts by taxpayers and tax practitioners to evade compliance with the tax laws become more sophisticated.” Globalization US businesses from 368B (1996) to nearly 15T (2007) “The IRS is still challenged by a lack of information reporting on many cross-border transactions. In addition, the varying legal requirements imposed by different jurisdictions result in complex business structures that make it difficult to determine the full scope and effect of cross-border transactions.”, “The IRS expects that these efforts will improve international tax compliance by allowing it to focus on high-risk issues and cases with greater consistency and efficiency.”, “Taxpayers with undisclosed foreign accounts and assets who do not submit a voluntary disclosure run the risk of detection by the IRS. If caught, these taxpayers face the imposition of substantial penalties, including the fraud and foreign information return penalties, as well as an increased risk of criminal prosecution.”, “According to the IRS Commissioner, “FATCA is an important development in U.S. efforts to combat offshore noncompliance. At the same time, the
IRS recognizes that implementing FATCA is a major undertaking for financial institutions. Based on the initial feedback from foreign financial institutions as well as foreign governments, the IRS will continue to face significant opposition from abroad in implementation of this Act.


Jeff Gerth, Megan Murphy, and Vanessa Houlder: Corporations Couldn’t Wait to ‘Check the Box’ on Huge Tax Break; *ProPublica, Nation of Change*, 27 Sept. 2011.


Kenneth W. Gideon: The Comprehensive Business Income Tax; presentation slides, Skadden, Arps, Slade, Megher and Flom, 13 May 2005,
<govinfo.library.unt.edu/taxreformpanel/meetings/.../gideon_052005.ppt>. Distortion due to interst deduction and LLCs.


Jeff Gerth, Megan Murphy, and Vanessa Houlder: Corporations Couldn’t Wait to `Check the Box' on Huge Tax Break; *ProPublica, Nation of Change*, 27 Sept. 2011.

Kenneth W. Gideon: The Comprehensive Business Income Tax; presentation slides, Skadden, Arps, Slade, Megher and Flom, 13 May 2005,
<govinfo.library.unt.edu/taxreformpanel/meetings/.../gideon_052005.ppt>. Distortion due to interst deduction and LLCs.


Behavioral economics is often used as a club to declare that people are irrational. But many forms of allegedly irrational behavior are actually efficient. Real people are better at cooperating than Homo economicus.

Paul A. Gigot: Obama’s Dividend Assault; *WSJ editorial*, 22 Feb. 2012. Diatribe with bad arithmetic at 20% actual the shareholder receives 80%, and at 39.6% pays a total 48.3% + 3.8 healthcare =52%, much but not 64% now 32% Increase is x 1.63, much, but not 3 x as claimed . Interesting graph.


Examples that fines are immaterial [VIC 8.5.2]

William Gladstone: Notes from a Diary; *Sir Mountstuart Elphinstone Grant Duff, 1851-1901* (1898), p. 140: To be engaged in opposing wrong affords but a slender guarantee of being right.


Malcom Gladwell: The Creation Myth; *The New Yorker Magazine*, 16 May 2011. Xerox, Parc, Apple, and the truth about innovation. [Box]


[Gleeson:94] William Gleeson: Anderson near to Pounds 1m per partner; The Independent, 12 June 1994. In five of the big six firms, the average profit per partner ranges from between pounds 340,000 and pounds 418,000.


[GoldscheiderJM:02] Robert Goldscheider, John Jarosz, and Carla Mullhern: "Use of the Twenty-Five Percent Rule in Valuing Intellectual Property"; Les Novelles, LES, Dec.2002. See Chapter 3 in [Parr:07]. Based on a 1950 study of a Swiss subsidiary of a U.S. company. Three year renewable terms, 20% profit, 5% royalty on revenues. IP was being maintained. Mentions that [Lee:92], among many others, cites that rule. J. Fig 3 vs 6 shows general unreliability of royalties based on profit, as [Parr:07] warns. It appears that the summaries do not consider that many semiconductor products require multiple licenses. 0% licenses are likely for association members.


[Goodman:67]† George J.W. Goodman (George (Adam Smith): The Money Game; Random House, 1967, republished 1976. On the stock market: “in the long-run the future earnings represent present value [although] in the short run the dominant factor is the elusive [...] temper of the crowd. also George J.W George." The world is not the way they tell you it is“.


[Goolsbee:04]† Austan Goolsbee, University of Chicago - Graduate School of Business; National Bureau of Economic Research (NBER): “The Impact of Corporate Income Tax: Evidence from State Organizational Form”; Journal of Public Economics, Vol.88 no.112004, pp.2283-2299. In Retail establishments a 1% increase in corporate tax vs non-corporate tax reduced the share of corporate forms by 2.5% and 7% of sales.


[Graetz:02] Adjust personal income taxes to compensate for uneven burden of expenditure taxes.


[Grassley:10] Sen. Charles Grassley, republican senator from Idaho, has stated (11/18/2010) that "making the R&D tax credit permanent" should be one of the actions that Congress takes to rejuvenate manufacturing in the U. S. The context was a discussion on jobs going to China.


Griffith & Alexander Klemm: "What has been the tax competition experience of the past 20 years?"; Institute for Fiscal Studies, IFS working paper W04/05, 2004.


Ryan Grim, Christina Wilkie, and Zach Carter: “Microsoft’s Bermuda Subsidiaries Subject To Tax Inquiry, Documents Show”; Huffington Post, 31 Jan. 2014. Mentions the Ropund Island and Flat Island subsidiaries of its Dutch Sandwich


Gene Grossman and Elhanana Helpman: "Endogenous Innovation in the Theory of Growth"; Journal of Economic Perspectives, Vol.8, 1994, p.23-44. Knowledge is cumulative, with each idea building on the last, whereas machines deteriorate and must be replaced" (p.31).


Harry Grubert and John Mutti: Taxing Interational Business Income: Dividend Exemption versus the Current System; American Enterprise Institute, 2001. Exempting foreign income from taxation would increase U.S tax collections by $7.7B, argued as being wrong in [DasiaH:054].


[Gupta:04]† Amar Gupta et al. : Productivity from Information Technology (PROFIT) Initiative; working papers on IT productivity and outsourcing, see http://mitsloan.mit.edu/research/profit/profit.html, 2004


[H&W:49]‡ "The intangibles being not reducible to statistics, the food of all bureaucracy, count for nothing"; *Here And Now*, 30 Oct 1949.


[Halberstam:86] David Halberstam: *The Reckoning*; William Morrow, 1986. Recommended by James M. Kaplan for business-technology. Is any business story more fascinating or more terrifying than the decline of US auto manufacturers in the 1960s and 1970s? By my lights, this is the best of Halberstam’s many books, far better than, say, The Best and the Brightest, which is mostly about people writing memos to each other. The Reckoning documents the rise of Nissan and the declining market share of US automakers. Why is this an important technology book? Because it provides a cautionary tale of many of the pitfalls business technologists must avoid: suspicion of new approaches, short-term decision making, managerial distance from frontline operations and distortive managerial accounting.


Bronwyn H. Hall: Tax Incentives for innovation in the United States; Asesoria Industrial ZABALA-Spain, report Inno-00-93 the EU, 15 Jan.2001. R&E data and many more.


Tobias Stanislas Haller, BSG: Saint Matthew the Accountant Tenders His Account, 5° x 7° (oil) Tobias Stanislas Haller, BSG (brothers of Saint Gregory) 2009.


Matthew appears in the Gospels as a tax collector for the Roman government in the city of Capernaum.


Stanley S. Surrey helped institute the "tax expenditure budget" in 1967 while he was Assistant Secretary for Tax Policy in the Treasury Department. In 1972, the Joint Committee on Taxation (JCT) began preparing an annual tax expenditure budget for the Committee on Ways and Means. In 1974, the Congressional Budget and Impoundment Control Act (PL 93-344) required that a list of tax expenditures be included in the annual budget.


John Hand and Baruch Lev (eds.): Intangible Assets, Values, Measures. and Risks; Oxford University Press, 2003. Network effect. In the year 2000 $61.4B was spent for prepackaged software, and $57B custom software. About $128B was spent by companies for internal software development and maintenance [Bureau of Economic Analysis] Chap. 12 provides data for routine and non-routine returns.

Seth Hanlon: Tax Expenditure of the Week: Offshore Tax Deferral; Center for American Progress, March 16, 2011, http://www.americanprogress.org/issues/2011/03/te_031611.html. Because some of the revenue loss may be captured in later years, the present value of the tax expenditure, according to the Treasury, was $23 billion in 2010.


[Hanssens:11] Dominique Hanssens: “What Is Known About the Long-Term Impact of Advertising”; MASB Practitioner Paper No. 2011-01, 2011. described the relationship between advertising and sales and profit in the long term and short term with the following statement: “Advertising’s short-term impact is double to triple over the longer term.[VIC VChap.3.3]


[Hanson:11] Jay Hanson: From Capitalism To Democracy; Dieoff blog <http://www.dieoff.com/>


[Harrison:03] Bonnie Harrison: “Intangible Assets”; Chapter 10 in Weygandt, Kieso and Warfield: Fundamentals of Intermediate Accounting, Wiley 2003. Intangibles are written off over their useful lives, where the assets have determinable useful lives. Where the intangibles have indefinite useful lives, they are not amortized. Trademarks and Trade names are renewable indefinitely by the original user in periods of 10 years each. Goodwill has an indefinite life and should not be amortized. Impairment test performed at least annually. If applicable, loss recorded. No impairment if sum of expected future net cash flows from use and disposal of asset is equal to or more than the carrying amount.


[Heath:09] Joseph Heath: Filthy Lucre: Economics for People Who Hate Capitalism, HarperCollins Canada; 2009. Less of a diatribe than the title implies. "Economic illiteracy on the left leads people of good will to waste countless hour promulgating or agitating for schemes and policies that have no reasonable chance of success or that are unlikely to actually help their intended beneficiaries.''


Neal Heiress and Jared Guckenberger: Process for calculating the economic value created by a business activity; US Patent 20040267599 A1, issued 26 Jun 2004; also US 744307. Many flow charts. <CFC markup issue>


Christopher Helman: “Which Companies pay the Most in Taxes”; Forbes, 16 Apr.2012. List of 25 companies, and their effective tax rate based on total revenues. LIFO and Oil exemptions should remain. Filed with [Sheppard:120].


Joseph Henchman: Detail of the Fiscal Cliff Deal; The Tax Foundation, 1 Jan.2011. [VIC xls /taxes]


Irene Henriques and Perry Sadorsky; Investment on IT and the Business performance of Financial Companies”; in [KuriharaTY:06]. Modeling data from 1984 to 2003; it takes 48 months to gain an effect. there is an initial dip.


Bob Herbert: Losing Our Way; The New York Times, 25 March 2011. bobherbert88@gmail.com

Average statutory corporate income tax rates fell from 46% in 1982 to 33% in 1999, though tax bases simultaneously broadened, as a result of which average corporate tax collections actually rose from 2.1% of GDP in 1982 to 2.4% of GDP in 1999. The first is the experience of American multinational firms, whose average effective foreign tax rates fell from 43% in 1982 to 26% in 1999.

Many imbalances Average statutory corporate income tax rates fell from 46% in 1982 to 33% in 1999, though tax bases simultaneously broadened, as a result of which average corporate tax collections actually rose from 2.1% of GDP in 1982 to 2.4% of GDP in 1999. The first is the experience of American multinational firms, whose average effective foreign tax rates fell from 43% in 1982 to 26% in 1999.


[Hines:06] James R Hines, jr.: “Corporate Taxation and International Competition”; in [AuerbachHS:07];


[Hines:10H] James R. Hines Jr.: "Treasure Islands"; Journal of Economic Perspectives, Vol.24 no.4. Fall 2010, pp.103-126. Taxhavens may help overall economic growth, and have become more trustworthy – or their clients have become smarter in hiding what is going on. Mentions, but does not measure intangibles.


Small countries (not taxhavens) had to adapt already to deal with mobility of economic activity, and rely less on income taxes. During the period from 1950 to 2004, total world exports and imports grew by an average of 5.9% a year. From 1975 to 2004 the rate of growth of international trade relative to world output quickened for all goods to 2.3 percent a year, and for manufacturing to 3.0 percent a year. “given the looseness of the resulting legal restrictions, it is entirely possible for firms to adjust transfer prices in a tax-sensitive fashion without violating any laws” [p.7].


[Hirst:02] Clayton Hirst: “Silicon fen `needs £2bn’ to stop business exodus”; The Independent, 21 Sep.2002. .. urgent need for the UK Government to throw money at the road network.

[HMT:10] Her Majesties Treasury: Corporation Tax Reform: Delivering a more competitive system; HMT Newsroom Release 64/10, 29 Nov.2010. Reducing CIT from 28% to 24%.


[Hodge:12] Scott A. Hodge: The Countdown is Over. We’re #1; Fiscal Facts, the Tax Foundation, 1 April 2012. Japan’s new rate is 38.1% less than the US combined rate of 39.5%. A 10% surtax will be removed after 2014.


Oliver Wendell Holmes: ‘Taxes are what we pay for a civilized economy’.


Susan N. Houseman and Kenneth R Ryder, jr (eds.): Measurement Issues Arising from the Growth in Globalization; Conference papers, National Academy of Public Administration, 6 Nov, 2009, 16 papers, 421 pp.


[Huber:80] Mick Huber: “Offshore Tax Havens; Crackdown”; Accounting Age, 27 Nov. 2008. Quoted in [Palan:10] “the offshore environment Has been changing over the years. It adopts new solutions when legislative regimes come into play’ [VIC Chap.10]


[Hungerford:11] Thomas L. Hungerford: Tax Expenditures and the Federal Budget; Congressional Research Service, RL34622, 1 June 2011. By FY2007, discretionary spending was approximately equal to the estimated revenue loss of tax expenditures (about 7.6% of GDP); reduced after 1986 act to 1989. And about 7% of GDP in 2011, 23.8% of total expenditure. Similar to Hiungerford:08? About $1T [VIC xls / taxes]; [VIC xls / taxexpenditures]

[Hungerford:12]† Thomas L. Hungerford: Taxes and the Economy: an Economic Analysis of the Top Tax Rates Since 1945; Congressional Research Service, R42729, 14 Sep.2012. Experience from changes in high-level tax rates There is no conclusive evidence that the top tax rates have little association with saving, investment, or productivity growth. It does affect income distribution. Withdrawn due to political pressures. Has Graphs of actual tax rates.


[IASB:10] International Accounting Standards Board: Who we are and what we do; IFRS Foundation, March 2010.


[IBA:04]‡ Institute of Business Appraisers: Glossary. <http://go-iba.org/who.asp>, Plantation, FL 33318, 2005. Premise of Value – an assumption as to whether a business enterprise or intangible asset will be valued in liquidation or as a going concern.
[Ibbotson:04] Ibbotson Associates: Stocks, Bonds, Bills, and Inflation; 2004 Yearbook, Wiley. The risk premium for 1926 through 1999 historic averages att of 8.1 percent. The Cost of Capital 2000 Yearbook 34 states: “In all of the beta regressions, the total returns of the S&P 500 are used as the proxy for the market returns. The series used as a proxy for the risk-free asset is the yield on the 30-day T-bill”.


[IFPUG:02]‡ International Function Point Users group: IT Measurement, Practical Advice from the experts; Addison-Wesley 2002.


[IPRA:03]‡ International Property Research Association: Royalty Rates for technology, 3rd edition; 2003;


[IRC-41:85] Dept.of the Treasury: USC Title 26, §41: Credit for increasing research activities ; based on The yyyy Act of 1984; US House of Representatives H.R. tttt, Public Law Ill, date.


[IRC-482:85] Dept.of the Treasury: USC Title 26, §482: Allocation of income and deductions among taxpayers ; based on The yyyy Act of 1984; US House of Representatives H.R. tttt, Public Law Ill,
accounting rules guard against the temptation to overstate income, while tax rules must guard against the desire to understate income.”


[IRS-F:06] IRS: Special Rules Regarding Certain Section 951 Pro Rata Share allocation; IRS Revenue Bulletin 2006-11, 13 March 2006. [not cited]


[IRS-PS:96] IRS: Internal Revenue Service Simplification of Entity Classification Rules ; PS-43-95, 9 May 1996. This document contains proposed regulations that would replace the existing regulations for classifying certain business organizations with an elective regime. These proposed regulations simplify the existing classification rules. Pertains to Check-the-box rules


IRS: Whether a network used in a business is intangible property, foreign goodwill, or going concern value per §936(h)(3)(B); TAM # 20090724,10 Nov. 2008 release date 13 Feb 2009. They are all IP, unless tainted.

IRS: The Tax gap for the year 2006, overview. $450B. Corp. non-reporting $122B business income on individual returns, 48B large corps, 18B small corps.


IRS: Official IRS Local Travel Guide; Internal Revenue manual, Part 1, Chapter 32, Section 1, 7 Feb 2012. The section 25 Jan 2008 (30.5.2.5) on foreign travel has been deleted as of 7 Feb.2012


IRS: Tax information for corporations: FASB Interpretation No.48, Accounting for Uncertainty in Income Taxes; IRS, 17 March 2011

IRS: A study of Transfer Pricing under Section 482 of the Code; Oct 1988. = [Chapoton:88]


IRS: United States Income Tax Treaties - A to Z;


IRS: Withholding of Tax on Non-resident Aliens and Foreign Entities; IRS Publication No.515, 2006, updated annually. Lists tax treaty countries in Table 3. See also http://www.irs.gov/businesses/international/article/0,,id=96739,00.html

Internal Revenue Service: Regulations on Transfer to Foreign Corporations subject to section 367(a); Title 26 Chap.I Subchap.A Part 1 §1.367, effective Dec. 1984. See [Rostenkowski:84]

Internal Revenue Service: Regulations on Transfer to Foreign Corporations.I Subchap.A Part 1 §1.367(d)-1T(c)(1), Use CFR `1-482 principles to define intangible transfers. effective Dec. 1984. See [Rostenkowski:84]


Internal Revenue Service: Regulations on Transfer Pricing, Methods to determine taxable income in connection with a transfer of intangible property; Title 26 Chap.I Subchap.A Part 1 §1.482-4, 1994b.


These regulations eliminate the active conduct rule of _1.482-7(c) as a requirement for qualification as a controlled participant in a qualified cost sharing arrangement. Section 1.482-7(c)(1) of these regulations substitutes a general rule that a controlled taxpayer may be a controlled participant in a cost sharing arrangement only if it reasonably anticipates that it will derive benefits from the use of covered intangibles. In addition, _1.482-7(f)(3)(ii) provides that if a controlled participant transfers covered intangibles to another controlled taxpayer, the participant's benefits will be measured with reference to the transferee's benefits rather than with reference to any consideration paid by the transferee. (This gives rise to results similar to those under the subgroup rules of the proposed regulations by different mechanics.) Finally, _1.482-7(f)(3)(ii) continues to provide that the amount of benefits that each of the controlled participants is reasonably anticipated to derive from covered intangibles must be measured on a basis that is consistent for all such participants.

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Empirical Evidence”;  <

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24 Feb.2012, JCX 66

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July 2012, JCX 66

property transfers p.218

Fiscal Year 2012 Budget Proposal; US Congress, JCS

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may 2008.

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11, 16 Sep.2011.

Expenditure Estimates

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Joint Committee on Taxation: Present Law and Background Related to Possible Income Shifting


Joint Committee On Taxation: Tax Incentives for Research, Experimentation, and Innovation; Joint Committee on

TaxationR&E §174. Compares other countries.forms get most (table 3) Complex, compliance cost.; and

JCT: Background Information on TaxExpenditure Analysis and Historical Survey of Tax

Expenditure Estimates; Joint Committee on Taxation JCX-15-11, 28 Feb.2011, 37pp. and JCX-45-

11, 16 Sep.2011.


Selected Issues Relating to Choice of Business Entity; Joint Committee on Taxation, 27 July 2012, JCX 66-12, 88pp. C-corps vs LLCs , pass-throughs . data 22.6 soleprops, 1.7M C-corps, 1.9m farms, 3.1 LLC, 4.1m S-corps.(since 1958) . Growing in all sizes, but more stable since 2003. In HMAT.xlsx Corptax, Uniform pass-through. Large c-corp – large S corp by 2003


Thomas Jefferson, 1816 “I hope we shall... crush in its birth the aristocracy of our moneyed corporations which dare already to challenge our government in a trial of strength, and bid defiance to the laws of our country”; <check>>


Cheryl Jensen: Toyota’s Image Falls in J.D. Power Survey; The New York Times, 17 June 2010

Michael Jensen and William Meckling: “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure”; Journal of Financial Economics, 1976. Deimling:11: shareholders are the principals of the firm –i.e., they own it and benefit from its prosperity, while the executives are agents who are hired by the principals to work on their behalf.

Mathew H. Jensen and Aparna Mathur: “Corporate Tax Burdens on Labor: Theory and Empirical Evidence”; Tax Notes, 6 June 2011. Employees’s wages are lowered because of the CIT per [Harris:09]. Critiques many prior analyses and observations. Mixed results, but employees seem to be affected.


"Complexity has a tendency to intimidate and deter any outside review. “ Individual tax shelters promoted are FLIP — short for ‘Foreign Leveraged Investment Program’ using a Cayman corporation, ’; later OPIS — short for “Offshore Portfolio Investment Strategy” using a Cayman partnership and derivatives.

A $13.5 billion merger between Symantec Corp. and VERITAS Software Corp; Black Enterprise, 2005. 13.5M , later valued at 11B, actually paid 13.2


Changes in taxation of pass throughs may again reconsider their structure. Also LIFO. Transfer pricing.


The IRS and Enron "Enron and other big companies have escaped taxes in recent years through financial maneuvers so complex that the Internal Revenue Service has been unable to understand them," and that these transactions, while legal, "create [undisclosed] risks for shareholders"

"IRS audits of Working poor increase”; NYT, 1 March 2002.

"IRS Commissioner 1973 to 1977. ” prissy about legal procedure”. 

"IRS Commissioner 1973 to 1977. "prissy about legal procedure”. 

"First Look at US Pay data, it’s awful; Reuters, 19 Oct 2011, based on GDP data, part of FATCA Foreign Account Tax Compliance
Act, part of a 2010 jobs bill. (France, Germany, Italy, Spain, and UK), not Switzerland, Canada, China, Japan. The primary taxhavens are ignored as well.


[Jones:02] Handel H. Jones: “How to Slow the Design Cost Spiral”; Electronics Design Chain, Summer 2002. Data on ratio of chip hardware to software efforts over time [VIC Ch5.3.3.1].


[Jones:13C] Capers Jones: A Hort History of Software Estimation Tools, v.12; 12 Aug.2013. retrieved from Table 8 illustrates a factor in first mover advantage. . [VIC Ch5.3.3].

[Jones:13]‡ Sam Jones: Cayman Islands to open to scrutiny; Financial Times, 16 Jan 2013. [VIC 6.1]


Jeremy Kahn: Malta Lures Hedge Funds with 300 Days of Sunshine; Bloomberg Markets Magazine, 10 Jan 2012. As of early November, the number of funds located in Malta had grown to more than 500 with 8 billion euros ($10.7 billion) under management from 165 funds with less than 5 billion euros under management in 2006, according to the Malta Financial Services Authority(MFSA). [VIC 6.3.1]

Robert G. Kaiser: So damn Much Money; Knopf, 2009. On lobbying, lobbyists and Congress. [VIC 8.2.2]


Stephen Kan: Metrics and Models in Software Quality Engineering; Addison-Wesley 2003. [VIC 5.1, M4]


[GAO:08]


Stephen Kan: Metrics and Models in Software Quality Engineering; Addison-Wesley 2003. [VIC 5.1, M4]


Stephen Kan: Metrics and Models in Software Quality Engineering; Addison-Wesley 2003. [VIC 5.1, M4]


Donald E. Kieso, Jerry J. Weygandt, and Terry Warfield: Intermediate Accounting; Wiley, 2013. “The concepts we presented in Chapter 2 determine what to recognize in the accounts. An item should be recognized in the financial statements if it is an element, is measurable, and is relevant and representationally faithful. Consider human resources. R. G. Barry & Co. at one time reported as supplemental data total assets of $14,055,926, including $986,094 for “Net investments in human resources.” AT&T and ExxonMobil also experimented with human resource accounting. Should we value employees for balance sheet and income statement purposes? Certainly skilled employees are an important asset (highly relevant), but the problems of determining their value and measuring it reliably have not yet been solved. Consequently, human resources are not recorded. Perhaps when measurement techniques become more sophisticated and accepted, such information will be presented, if only in supplemental form.”


Garcceti v. Ceballos, 547 U.S. 410; Supreme Court of the United States, 2006. First Amendment free speech protections for government employees. The plaintiff in the case was a district attorney who claimed that he had been passed up for a promotion for criticizing the legitimacy of a warrant. The Court ruled, in a 5-4 decision, that because his statements were made pursuant to his position as a public employee, rather than as a private citizen, his speech had no First Amendment protection. [VIC 8.7.3].

Justice Anthony Kennedy: Microsoft Corp. v. AT&T Corp.; Supreme Court of the United States 30 April 2007. Manufacturing CD copies offshore from a Golden master disk supplied from the US does not infringe US patent rights. [VIC Ch3.1.1]


Charles Kenny: “Factory Jobs Are Gone. Get Over It;” Bloomberg Businessweek, 27 Jan.2014. 1953 manufacturing was 28% of GDP, 12% in 2012, bit with GDP growth, that means it tripled in 60 years.. But fewer people are needed. 16M in 1953 and 12M in 2012. Protecting from cheap manufacturing offshore hurts the US workers overall. [VIC Ch9.6.2].


[KesslerE:10] Wolfgang Kessler and Rolf Eicke: “The New German GAAP – the Gap Between Commercial and Tax Accounting”; Tax Notes International, Vol.59 no.7, 16 Aug), 2010. For more than 100 years the principle of strict book-tax conformity (or the authoritative principle, or Maßgeblichkeitsprinzip) (“§ 5 exp. 1 P. 2 EStG “) was the most striking feature of German tax accounting. In fact, since the enactment of the German Commercial Code (Handelsgesetzbuch, or HGB) on Jan.1, 1900, this principle was a pillar that survived all storms of reforms until the last reform, the Accounting Modernization Act (Bilanzmodernisierungsgesetz) went into force on May 29, 2009.


[King:01] Elizabeth King: “Valuing an Assembled Workforce”; in [Contractor:01], pp.264-279. Based on replacement costs, ignoring specific know-how and synergy. Recognizes time to rebuild. Ignores group factors stated in [Sarathy:01].


corrections re state and future taxes. 1950s. That rate had fallen to 6.6 percent by 2009.


[Klein:11a,b] Ezra Klein: Herman Cain’s 9-9-9 plan in One Table; & The 9-9-9 plan in One (very-long) graph; Washington Post, 18 & 19 Oct 2011.


[Kleinbard:05] Edward Kleinbard: The Business Enterprise Tax [BEIT]; presented to The President’s Advisory Panel on Tax Reform, USC, May 2005. Business deductions for interest or dividends paid equal to COCA, annually included by investors. Reduce tax to reduce Evasion (slide42) [VIC Chap.8.6.2.2]


James Kobielus and Roberto Zicari:: On Big Data and Data Science. Interview with James Kobielus Selection Bias; ODBMS Blog, 16 Apr. 2016


Richard Kogan: What Was Actually in Bloomberg: 30 Nov.2015


Petter Kolm: Trends in Quantitative Finance; 2006, <petter.kolm@gmail.com>


Mike Konczal: An Interview With 'Occupy The SEC'; The National Memo, 16 Feb 2012.


Cynthia Koons and Michelle Fay Cortez: "Pfizer's $160 Billion Change of Address"; Bloomberg Businessweek, 30 Nov.2015. Extensive history of Pfizer and Allergen, but simplistic conclusion on tax rates after Pfizer’s inversion


Marjorie E. Kornhauser: Normative and Cognitive Aspects of Tax Compliance: Literature Review and Recommendations for the IRS Regarding Individual Taxpayers; National


[Koskinen:18] John A. Koskinen: Woodworth Lecture: The Challenges Facing the IRS of the Future; TaxNotes.com; 21 May 2018. John A. Koskinen was IRS commissioner from 2013 to 2017.” budget cuts began in 2011, The Chief Counsel’s office is the smallest it’s been in 25 years. There are over 7,000 fewer revenue agents, revenue officers and criminal investigators than there were in 2010 and the audit rate is down close to 50 percent. The lack of enforcement personnel means that the IRS is leaving on the table every year six to eight billion dollars in uncollected revenue from audits that should be done.. The agency estimates that over 40 percent of front-line managers and 60 percent of its executives will be eligible to retire next year.Compliance overall is threatened by the decline in the audit rate. The IRS obviously has more data than almost any other financial institution. Since then, the BEPS-required “country-by-country” reporting is beginning, whereby every major international corporation will file, with their home country, basic information about their operations around the world. This information will be shared with the tax authorities in every country in which the company operates. The TCJA will increase use of the standard deduction to 90 percent. But, for the 15 million individuals and corporations and passthrough operations, life has gotten more complicated under the tax code, rather than less. And the natural course of legislation is to add, not subtract, programs and policies under the code, with many of the changes adding to the IRS burden. While Congress loves to attack the IRS, they often give new programmatic responsibilities to the agency on the grounds that they know the agency will do a good job of implementation.


[Kovacs:05] László Kovács: Tax harmonisation versus tax competition in Europe; Tax harmonisation and legal uncertainty in Central and Eastern Europe; Austrian Chamber of Professional Accountants and Tax Advisors, Vienna, Oct. 20, 2005. The Author is the European Commissioner for Taxation and Customs.


[Kroon:00] Andries Kroon: The Netherlands and Netherlands Antilles in International Tax Planning; in [Ogley:00], pp.32-46.


John Laitner and Dmitriy Stolyarov: “Derivative Ideas and the Value of Intangible Assets”; International Economic Review, Vol. 54, No. 1, February 2013. Quantitative results are based on renewals of patents. “Derivate technology accounts for nearly 70% to 80% is supported in this pdf article. I have included an Excel spreadsheet that derives these values. You can change the cell highlighted to determine the life. If theta is .75 and lamda is .1712 the average of the values reported in the article, the life is 23 years. For example if theta is changed to zero, then life is six years."

Susan Lammers: Programmers at Work; Microsoft press, 1986.


Martin LaMonica: “Open source reshaping services market”; CNET News, 10 Jan.2005.


Frederick A. Laskey: Letter Ruling 00-11: Massachusetts Tax Treatment of a Netherlands BV, Department of Revenue, Commonwealth of Massachusetts; 29 Aug.2000.

Robert Latham and Saskia Sassen (eds.): Digital Formations: IT and New Architectures in the Global Realm; Princeton University Press, 2005. t Columbia University Dieter Ernst's essay on global flagship networks in Chapter 4 argues that economic globalization has led to a type of international competition in which multinationals create and maintain alliances of suppliers internationally through digital information systems. The latter are used by global corporations to diffuse certain types of knowledge "to gain quick access to skills and capabilities at lower-cost overseas locations that complement the flagships' core competencies" (p. 91). This is a useful insight consistent with a growing number of empirical studies of international collaborations in high-technology industries. My only complaint is that it overly emphasizes the continued dominance of global firms like IBM, Microsoft, and Intel at the expense of analysis of new corporate challengers like Samsung in Korea or Acer in Taiwan or Lenovo and Haier in China. The long-term consequences of short-term strategies of knowledge diffusion need also to be considered.


[Lawprof:13] LawprofBlog: Dean Berman supports scam to gain from loans; Blogger jan 2013. For law students


[LecuyerB:10] Christophe Lécuyer and David C. Brook: Makers of the Microchip, A Documentary History of Fairchild Semiconductor; MIT Press, 2010. Documents the details of the path from innovation to commerce up to about 1960. Also see Lojek:07.


[Leonhardt:12]‡ David Leonhardt: “Coming Soon: Taxmagedon””; The New York Times, 15 April 2012. Tax bills to rise 1 Jan 2013 at all levels. Action will be needed, but will be late.


[Lesokhin:13] Lev Lesokhin: Comment on Proposed Rule – Regulation SCI SEC File No.57-01-13; CAST software, NY, 8 July 2013. The regulation addresses System Compliance and Integrity (SCI): systems should “have levels of capacity, integrity, resiliency, availability, and security, adequate to maintain the SCI entity’s operational capability and promote the maintenance of fair and orderly markets.”. The comment states (1) that technology is becoming ... the single most expensive asset, (2) that there is inadequate attention given to integrity checks at the system level, (3) that test to deal with SCI issues should not only be part of production, but also of development.


[LeveyWC:06] Marc M. Levey, Steven C. Wrappe, and Kerwin Chung: Transfer Pricing Rules and Compliance Handbook; CCH, Wolters Kluwer, 2006, 224pp “Given the potential for transfer pricing decisions to globally impact tax, financial and operational results, it is unfortunate that relatively few persons at multi-national corporations [MNEs] possess significant experience with transfer pricing issues”; [p.v.], “absent transfer pricing rules MNEs could intentionally or unintentionally use transfer pricing to shift large amounts of income from one tax jurisdiction to another.. that benefit could be used to reduce the MNE’s overall tax rate” [p.2], Shifting tax avoidance example as M&C [p.3]. ‘double taxation’ computation <looks fair> [p.4]. “Tax payers may report arms-length results on [a] income tax return that are different than the results reported on their books” [p.5] “Commensurate with income” … for intangibles” [p.6]. IRS cannot dictate business methodd [p.20] “Transfer of IP occurs when … sold, assigned, loaned, or otherwise made available in any manner [p.41], if the terms include rights to exploit an intangible embedded within a tangible, the price may have to be determined separately” [p.41-42]. [1], taxpayers hope to get away with low valuations by taking extreme positions [p.83]. A 3-year limit [p.90]. Contemporaneous documents, [p.91]. IRS can initiate exam/audit based on questionable result [p.91]. Task of resolution [p.103]. Shortage of IRS economists [p.114]. Incentive to move offshore [p.125]. Reserve for uncertain tax obligations [p.134]. Simple comporsisition of methods [p.141]. Bought 19Jan 2009, Transfer Pricing Rules and Compliance Handbook [Paperback], Price $91.49 Marc M. Levey; Steven C. Wrappe; and Kerwin Chung, Sold by: Amazon.com, LLC.


[Lieberman:98] Marvin B. Lieberman and David Bruce Montgomery. First-mover (dis) advantages: Retrospective and link with the resource-based view”; Strategic Management Journal, Wiley, Vol.19, 1998, pp 1111-1125. Upade of a 1988 paper. Montgomery was at the Graduate School of Business, Stanford University. A highly cited paper that urges first-mover researchers to model the company before running empirical investigations, as he claims that doing traditional empirical analysis without a resource-based view will lead to confounding results. [Tolman]

[Lieberman:02] Marvin B. Lieberman: Did first-mover advantage survive the dot-com crash? Unpublished working paper, UCLA, 17 Oct. 2002. This paper does some empirical research on internet infomediaries, which show some first-mover advantage—more than non-infomediary internet companies—but the author attributes it to patents which he says exhibits a stronger trend [Tolman]

As of 3Q2012, US companies hold $1.7T, Apple $29.1B. Does not explain source of foreign earnings.

Apple 68% of its $121.3B; Qualcomm 63% of its $26.8B; EMC $51B out of 10.6B

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As of 3Q2012, US companies hold $1.7T as being indefinitely invested overseas. Apple 68% of its $121.3B, Microsoft 87% of its $66.6B, Qualcomm 63% of its $26.8B, Amgen 74% of its $25.4B; EMC $51B out of 10.6B, but Apple 68% of its $121.3B, Qualcomm 63% of its $26.8B, Amgen 74% of its $25.4B; EMC $51B out of 10.6B.

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[Lojek:07]† Bo Lojek: History of Semiconductor Engineering; Springer Verlag, 2007. Relevant to VIC Ch 2.1. also see [LecuyerB:10]. Much on corporate interaction, mergers, acquisitions, and IP flow.


[Lowry:08]‡ Reported by Reuters: Executive Refuses to Answer Tax Haven Questions; The New York Times, Peter S. Lowry, 26 July 2008. Westfield CEO, based in Liechtenstein at. LGT bank, loss $100 annually. Is 1/147 US account holders. UBS has 190,000 US accounts. Covering $18B. Loss $100 annually. US has no subpoena powers,


When Globalization Fails 

Ray Madoff: Two Tricks to Raising Capital-Gains Taxes Fairly; The National Memo, 16 Feb 2012. The lower rates cost the government a significant amount of revenue. In 2008, if capital gains had been taxed at 35 percent instead of 15 percent, the federal treasury would have received an additional $100 billion. (Capital gains were unusually low that year; in 2007, the increase would have been closer to $200 billion.) In the next five years, the capital-gains preference will cost the government more than $450 billion, according to estimates from Congress’s Joint Committee on Taxation. The special capital-gains rate makes it difficult to simplify the tax code. Much of its complexity is due to the myriad rules that are meant to ensure that income is properly categorized as ordinary income or capital gains. Eliminate the rate differential, and the tax code could become far less complex. Fix for gains due to inflation (mainly real estate) up to their appreciated property until death. This so-called lock-in effect impedes the efficient flow of capital. [ACM]

Hans Maarsen: Trustkantoren zien hun positie bedreigd: FD 17 Sep 2012. Per Andre Nagelmaker, director of ANT. Competition for Dutch CFIs from Cyprus. Annual growth in Cyprus is 20,000; while Holland is steady at 20,000, including HP and Coca-Cola, 100 majors. In 2010 NL business was 10,000 billion (10.200 mrd) euros.


Ray Madoff: Two Tricks to Raising Capital-Gains Taxes Fairly; The National Memo, 16 Feb 2012. the lower rates cost the government a significant amount of revenue. In 2008, if capital gains had been taxed at 35 percent instead of 15 percent, the federal treasury would have received an additional $100 billion. (Capital gains were unusually low that year; in 2007, the increase would have been closer to $200 billion.) In the next five years, the capital-gains preference will cost the government more than $450 billion, according to estimates from Congress’s Joint Committee on Taxation. The special capital-gains rate makes it difficult to simplify the tax code. Much of its complexity is due to the myriad rules that are meant to ensure that income is properly categorized as ordinary income or capital gains. Eliminate the rate differential, and the tax code could become far less complex. Fix for gains due to inflation (mainly real estate) up to their appreciated property until death. This so-called lock-in effect impedes the efficient flow of capital. [ACM]


Makhlouf:02 Gabriel Makhlouf: *List of Uncooperative Tax Havens*; Committee on Fiscal Affairs, OECD, Paris, France, April 19, 2002. List has been removed from the OECD web page.


Malm:13 Elisabeth Malm: Colorado Amendment 66: A $1 Billion Tax Increase on Small Business and Individual Taxpayers; The Tax Foundation, 17 Oct.2013. The tax is to benefit education – how is that measured?

MalmK:13‡ Elisabeth Malm and Ellen Kany: The Sources of State and local revenues; The Tax Foundation, 29 Jan.2013.


Mandel:09‡ Mike Mandel: The GDP Mirage: the failure to account for IP generation makes predictions of growth suspect; *Business Week*, 9 Nov.2009, pp.35-38. Offshore R&D is counted, but does not generate US GDP. Chap.9


Mankiw:12 H. Gregory Mankiw: A better Tax System (Instructions Included); *The New York Times, Economic View*, 22 Jan.2012. 4 principles: Broaden the base and lower the rates (no mortgage deduction); Tax Consumption rather than income; (IRAs do); Tax `Bads’ rather than goods (tax gas at $2); Keep it simple (avoid loopholes as: electric car deduction used for golf carts).


have huge incentives to promote volatility in the expectations market, which is dangerous for us but lucrative for them. Net, hedge funds create no value for society. They have huge incentives to promote volatility in the expectations market, which is dangerous for us but lucrative for them. Have on Kindle.


[MarkleS:09] Kevin S. Markle and Douglas A. Shakelford: Do Multinationals or Domestic Firms Face higher Effective Tax Rates; University of North Carolina Univ., June 2009. Many details on effective tax rates. US 28%. Sweden and Taiwan South Africa 25%. 18% France 23%. Including taxhaven effects, local and for multinationals. Consistent with U.S. multinationals’ exploiting their ability to report profits in locations with more favorable tax systems than the U.S., the foreign affiliates of American companies reported more of their aggregate net income in the Netherlands (13%), Luxembourg (8%), and Bermuda (8%) than any country in 2006 ([http://www.bea.gov/international/di1usdop.htm](http://www.bea.gov/international/di1usdop.htm)). Other locations with profits that far exceeded assets, sales and employees were Ireland (7%), Switzerland (6%), Singapore (4%), and UK islands in the Caribbean (3%). For comparison, 7% of the aggregate net income of U.S. foreign affiliates was reported to Canada (the U.S. largest trading partner) and the UK, while only 2% was reported in Japan and Germany, which are considered among the most highly-taxed countries. [VIC Chap.9]


[Martin:05] Patrick W. Martin: “Oops - The Accidental Inversion”; Procopio, 24 Apr.2005. “The Service will undoubtedly be frustrated in its efforts to enforce the U.S. tax law vis-a-vis the foreign parent corporations in foreign jurisdictions (especially in those countries without any U.S. income tax treaty) when there is no nexus to the U.S. other than the U.S. shareholdings of foreign parent corporation.”


[Martin:11] Roger L. Martin: *Fixing the Game*; Harvard Business Review Press, 2011. On Kindle. 1. repeal of 1995 Private Securities Litigation Reform Act, which contains what has become known as the “safe harbor” provision. 2. elimination of regulation FASB 142 which forces the real write-downs of real assets based on the company’s share price in the expectations market. 3. eliminating the use of stock-based compensation as an incentive. 4. restore authenticity to the lives of our executives. 5. board governance. 5. regulate expectations market players, most notably hedge funds. Net, hedge funds create no value for society. They have huge incentives to promote volatility in the expectations market, which is dangerous for us but lucrative for them. Have on Kindle.

[Martin:13A] Julie Martin: Amazon fighting IRS over cost-sharing Buy-in payment; *Tax Notes Today*, 15 Jan 2013. Follow-up on 15March 2013. $1B at stake. Amazon refers to Verita,

Incentives are wrong in an economy that is not limited by natural resources. Labor was a routine component, now creative employees make up 33% [VIC Chap.3.3; Chap.5.3.1]


[Mazzucato:13] Mariana Mazzucato: The Entrepreneurial State: Debunking Public vs. Private Sector Myths; Anthem Press, 2013. Government takes the greater risk with no prospect of great reward, while VCs and businesses take less risk and can reap enormous rewards. “We socialize the risks and privatize the rewards.”

[McAfee:83] R. Preston McAfee: “American Economic Growth and the Voyage of Columbus”; American Economic Review, Vol.73, 1983. The misuse of hypotheticals or counterfactuals: “If the world were flat, Columbus would certainly not have observed masts rising over the horizon as ships came in. As a result, he would have not believed the earth to be round, and would never have sailed. Hence he could not have fallen off the edge”. [VIC 3.4.4]


[McCarthy:zz] John McCarthy: It is a folly to think that things can be improved by forbidding something


[McGee:12] Robert W. McGee (ed.): The Ethics of Tax Evasion, Perspectives in Theory and Practice; Springer, 2012, 704pp. Little on corporate tax evasion. From Springer site: Why do people evade paying taxes? This is the central question addressed in this volume by Robert McGee and a multidisciplinary group of contributors from around the world. Applying insights from economics, public finance, political science, law, philosophy, theology and sociology, the authors consider the complex motivations for not paying taxes and the conditions under which this behavior might be rationalized. Applying theoretical approaches as well as empirical research, The Ethics of Tax Evasion considers three general arguments for tax evasion: (1) in cases where the government is corrupt or engaged in human rights abuses; (2) where citizens claim inability to pay, unfairness in the tax system, paying for things that do not benefit the taxpayer, excessively high tax rates, or where taxes are used to support an unpopular war; and (3) through philosophical, moral, or religious opposition. The authors further explore these issues by asking whether attitudes toward tax evasion differ by country or other demographic variables such as gender, age, ethnicity, income level, marital status, education or religion. The result is a multifaceted analysis of tax evasion in cultural and institutional context, and, more generally, a study in ethical dilemmas and rational decision making.


[McMillan:03R]† Robert McMillan: Red Hat users balk at Enterprise Linux licensing; IDG News Service, 11/10/03.


[Medema:97] Steven G. Medema (Associate Professor of Economics, University of Colorado at Denver) and Richard O. Zerbe, Jr (University of Washington, Graduate School of Public affairs): The Coase Theorem; in Medema (ed), Coasean Economics, Kluwer, 1997, pp.209-238. “the British Tradition”.


[MelnikB:06]‡ Steven V. Melnik and Bernard Baruch: Corporate Inversion Strategies; American Institute of CPAs, 14 July 2006. [VIC Chap2.7]


[Mervis:16] Jeffrey Mervis: U.S. research groups going to war again over small business funding; Science, 18 May 2016. Reauthorization of SBIR and STTR.


[MintzC:11] Jack Mintz and Duanjie Chen: New Estimates of Effective Corporate Tax Rates on Business Investment; Cato Institute, Tax and Budget Bulletin no.64, 1011..The Effective US Corporate Tax rate is 13% - less than the IRS estimate. Used by [FehrJJK:13].


[Minkoff:18] Yoel Minkoff: Tech giants may face billions in new taxes; The Wall Street Journal, 29 Oct.2018. Inspired by EU proposals to impose a tax based on the revenue of tech companies rather than their profit, South Korea, India, Mexico, Chile and many other countries across Asia and Latin America are contemplating new taxes on foreign tech firms.


In today's multicore world, developing for a platform with the processing and memory limitations of an Atari 2600 is all but unimaginable. Heck, it was hard to fathom back in the 1990s when I was developing for 286s with 640Kb of main memory. Montfort and Bogost’s book gets into the details of the 2600 platform and explains the coding techniques the era’s developers used to deliver exciting, compelling games. Their creativity and problem solving is an inspiration to technologists struggling to deliver compelling user experiences with today’s far more advanced platforms.


R. William Morgan: “Testimony Before the Committee on Ways and Means”; Joint Committee on Taxation (ICT), 22 July 2010. Author is with Horst Frisch, Inc. Income shifting by one company forces others to follow. Need for IP valuation. Veritas was a bad deal for US shareholders.


Robert M. Morgenthau: Cayman Islands hold $1, 900B; Charlie Rose Interview, 8 April 2009. D.A. NY 1975 year2009 (Son of Henry M. Treasury Sec. 1934-1945?).


Robert M. Morgenthau: Cayman Islands hold $1, 900B; Charlie Rose Interview, 8 April 2009. D.A. NY 1975 year2009 (Son of Henry M. Treasury Sec. 1934-1945?).


Steven A. Musher: Cost-sharing of ongoing research and development (“R&D”) on acquired technology; IRS Field advice, released 7 Jan 2000.

Dr. M. Ishaq Nadiri Delivers 2015 Undergraduate Student Commencement Address; In.of Nebraska, v=JulmrIRk0hI on YouTube, 2015.

Ishaq M. Nadiri and Ingmar R. Prucha: “Estimation of the Depreciation Rate of Physical and R&D Capital in the U.S. Total Manufacturing Sector”; Economic Inquiry, Vol.XXXIV, Jan.1996, pp.43-56. Based on NBER Working Paper No.W4591. The model was estimated for the U.S. total manufacturing sector. “Our estimate for the depreciation rate of physical capital is 0.059 and that for R&D capital is 0.12”. Gives an “average” R&D life of 7 years and a total life 18 years to the 10% level based on a geometric (proportional) depreciation model. For linear depreciation life would be 8.3 years. An interesting observation from the paper is that
1. U.S. industry manufacturing industry now spends 5% annually on IP reinvestment, i.e., maintenance.
2. Spending 13.75% would avoid keep the value of the IP investment constant according to my spreadsheet based on [NadiriP:96]’s equations.

That number is very close to the 15% maintenance cost I assume in my software models.


Leonard Nakamura: “Intangibles: What put the New in the New Economy”; Federal Reserve Bank of Philadelphia Business Review, July 1999. Corporate investments in tangible assets have stagnated while corporate value creation has surged at the same time. The S&P 500 index, reflecting the market value of the major U.S. corporations, surged between 135.76 at the end of 1980 to 1342.62 on Nov.20, 2000 – a ten fold increase. In the same period investments into tangible assets in the U.S. (as a percentage of corporate GDP) decreased from 14.1% in the 1980s to 12.6% in the 1990s


[Unsent portions of text...]


National Center for Policy Analysis: The Benefits of a Flatter, Fairer Tax System; NCPA, 7 Dec 2007. Success of the Hong Kong economy under a flat tax system.


[NedelkoskaW:10] Ljubica Nedelkoska and Simon Wiederhold: "Technology, Outsourcing, and the Demand for Heterogeneous Labor: Exploring the Industry Dimension"; Jena Economic Research Papers # 2010-52, 2010, Jena Research group on The Economics of Innovative Change; (simon.wiederhold@uni-jena.de) (Friedrich Schiller University Jena, GK-EIC) and Ljubica Nedelkoska (ljubica.nedelkoska@uni-jena.de) (Research Training Group "Economics of Innovative Change" at the Friedrich Schiller University Jena), Simon Wiederhold (simon.wiederhold@uni-jena.de) (Research Training Group "Economics of Innovative Change" at the Friedrich Schiller University Jena), now in Munich


Introduces tax competition.

Taxpayers should settle if favorable terms can be negotiated. Settlement analyses are less precise. Information from failed settlements or APAs is not admissible evidence at a trial.


In order to win a Code Sec. 482 case, a taxpayer must show that the IRS’s position in the notice of deficiency was arbitrary, capricious or unreasonable. Judge Foley rejected the IRS theories, ruled the IRS original and trial positions to be arbitrary, capricious and unreasonable, and accepted the taxpayer’s comparables-based theory of the case with minor modifications.”. “In order to win a Code Sec. 482 case, a taxpayer must show that the IRS’s position in the notice of deficiency was arbitrary, capricious or unreasonable.”

Dr. John Hatch was the principal expert advanced by the IRS at the trial in VERITAS. The original notice of deficiency sported an amount 50 percent higher ($2.5 billion buy-in value) than the IRS trial position based on Hatch’s analysis and opinion ($1.675 billion buy-in value). The prior notice of deficiency buy-in value was based on the analysis and opinion of Dr. Brian Becker. Prior to trial, the IRS abandoned Becker’s opinion, and, at trial, “without meaningful explanation, conceded $825 million of the [Becker] buy-in amount” and “failed to offer even a token defense in response to petitioner’s critique of Becker’s conclusions.”

Not surprisingly, Judge Foley found the IRS notice position based on Becker to be arbitrary, capricious or unreasonable.” “In addition, respondent inflated the determination by valuing short-lived intangibles as if they have a perpetual useful life and taking into account income relating to future products created pursuant to the [cost sharing agreement].” “hinges primarily on the testimony of Hatch. Put bluntly, his testimony was unsupported, unreliable, and thoroughly unconvincing. Indeed, the credible elements of his testimony were the numerous concessions and capitulations.”

“Hatch further agreed that his discount rate used to value VERITAS’s earnings into perpetuity, to a reasonable degree of economic certainty, could not possibly be correct.” Based on the failure to appeal VERITAS, the authors believe that Appeals will continue to assign very high hazards to the IRS in litigation of the buy-in issues and thus to continue to settle these cases on terms highly favorable to taxpayers.”

Barack Obama ran on a tax plan that included “…reforming deferral to end the incentive for companies to ship jobs overseas”; deferring some deductions until repatriation and curbing the “check the box” regulations that enable multinationals to structure their foreign operations in a tax-favorable manner, Obama-type policy statements imply that multinationals somehow benefit unfairly from a tax system with perverse incentives.4

(Check the link in the text: http://www.barackobama.com/pdfs/taxes/Factsheet_Tax_Plan_FINAL.pdf). See


James O’Brien and Robert J. Cunningham: “Protecting Against the Disclosure of Trade Secrets to Independent Experts and Third-Party fact Witnesses During an Internal Revenue Service Audit”; Tax Executive, Vol.42, March 1990, pp.99-108. Considers that trade secrets, once obtained by an IRS agent are not protected when disclosed to third parties hired by the IRS.

James M. O’Brien and Mark A. Oates: *Caveat Expert: Let the Expert Witness Beware; Taxes*, CCH, Vol.77 no.11, July 1999. A report should be filed 60 days prior to a trial. Those lead to rebuttals. Up to a dozen witnesses in some cases. Experts are easily damaged. Use of junk science. Facts are better than opinions.


Kevin J. OConnor: Statement before the Senate Committee on Homeland Security and Governmental Affairs’ Permanent Subcommittee on Investigations Hearing on Tax Haven Financial Institutions: Their Formation and Administration of Offshore Entities and Accounts for Use by U.S. Clients, July 17, 2008. Offshore tax evasion. Shell entities. Often fraud has to proven before it can be investigated. Not all witnesses called for the hearing showed up.

Hiroyuki Odagiri, Akira Goto, Atsushi Sunami, and Richard R. Nelson. (eds.): *Intellectual Property Rights, Development, and Catch Up: An International Comparative Study*; Oxford University Press, 2010. Patents may promote innovation and catch up, and they may foster formal technology transfer. Yet they may also prove to be barriers for developing countries that intend to acquire technologies through imitation and reverse engineering. The current move to harmonize the IPR system internationally, such as the TRIPS agreement, may thus have unexpected consequences for developing countries. For most countries, economic development involves ‘catching up’ with leading countries. This needs more than physical assets and labour: it requires technological capabilities, educational attainment, entrepreneurship, and development of the necessary institutional infrastructure, including intellectual property rights, particularly patents. Have.


OECD TAG: Attribution of Profit to a Permanent Establishment Involved in Electronic Commerce Transactions; Technical Advisory Group on Monitoring the Application of Existing Treaty Norms for the Taxation of Business Profits, Draft Report for Discussion, Feb.2001, 34pp. = Example. Focuses on e-tailing (p.5). In most condition under arms-length principles having a server in X leaves all substantial assets and risks with the head office (p.4). If services are provided by an Independent Service Provider (ISP) the conclusion would be similar (p.4. 19-). If there is personnel and X assumes sufficient development risk to be considered an economic owner, then commensurate profits are to be attributed to X (p.21,28). Comparables (p.23), Problems (p.27) <have>

OECD Fiscal Affairs, OECD, 19 April 2002.


[OECD:17] OECD: Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017, DOI:http://dx.doi.org/10.1787/tpg-2017-en. 612 pp. This consolidated version of the OECD Transfer Pricing Guidelines includes the revised guidance on safe harbours adopted in 2013, as well as the recent amendments made by the Reports on Actions 8-10 and 13 of the BEPS Actions Plan and conforming changes to Chapter IX


[Ordonez:13] Patricia Ordonez de Pablos (University of Oviedo, Spain), Robert D. Tennyson (University of Minnesota, USA) and Jingyuan Zhao (University of Québec at Montréal, Canada): Intellectual Capital: Strategy Management for Knowledge-Based Organizations; IGI Global, 2013.


why countries are reluctant to calculate any possible tax gap is that there is no agreed methodology to measure the gap. OECD is currently undertaking work in this area.


Much data. <check if relevant>


John Quiggin: “Individual and Household Willingness to Pay for Public goods”; American Journal of Agricultural Economics, v80, n1, (Feb 1998), 58-64. … in the presence of “non-paternalistic altruism towards family members, the sum of private willingness to pay for public goods will equal household willingness to pay which is less than the sum of individual willingness to pay”; This implies that the estimate of the aggregate benefit from public goods will be greater than the willingness to pay of the households as a whole when individual willingness to pay is used as a basis for benefit estimation. Quiqgin’s findings help explain the rejection of the Reagan Administration’s argument for eliminating corporate income tax. In the context of shareholders and corporations, the shareholders and the corporation can be construed as members of the same household, with the concern about taxation of corporate income a consequence of the household’s willingness to pay being less than the benefits accruing to individual household members. Since both the corporation and the shareholders benefit from public goods, the elimination of the corporate income tax would reduce the tax burden on the household without reducing benefits.

Andrew Quinlan: Fiscal Protectionism and the Need for Territorial Taxation; CF&P Press Release, Center for Freedom and Prosperity, Washington , 12 March 2002. Tax Reform, not Fiscal Protectionism, is the Right Response to Corporate Flight: CF&P Reiterates Call for Territorial Taxation.Washington (March 12, 2002) – The Center for Freedom and Prosperity, the nation's leader in the fight for international tax competition, announced today that it will vigorously resist all legislation to restrict the freedom of companies to locate in jurisdictions that have more attractive tax and regulatory environments. Andrew Quinlan, President of the Center, remarked, “Fiscal protectionism is bad policy, and the Center for Freedom and Prosperity will oppose and work vigorously to defeat any legislation introduced to stifle tax competition. Tax competition is a liberalizing force in the world economy. It should be celebrated to persecuted”; Quinlan explained that, “High-tax California should not be allowed to stop companies from moving to low-tax Nevada, and Washington politicians likewise should not be able to stop companies from escaping bad U.S. tax law”; Tax Reform, not Fiscal Protectionism, is the Right Response to Corporate Flight: CF&P Reiterates Call for Territorial Taxation <http://www.freedomandprosperity.org/press/p03-12-02/p03-12-02.shtml>.

Andrew Packman and Augusto Lopez Claros: Paying Taxes 2012, the Global Picture; Price Waterhouse Coopers and the World Bank, 2011. www.pwc.com/payingtaxes. Also John Preston, Neville Howlett, Sylvia Solf, Tea Trumble. Focus on small and medium sized businesses in 183 economies. Companies consider tax rates. Tax cost world wide 44.8% of its commercial profits. 277 hours to comply for sample company. Average total tax rate has fallen by 8.5%, > 1%/yrs. 10 economies do not levy a corporate tax, and in 3 no tax is paid because of reliefs and allowances. Income tax represents just 12% of all corporate taxes. US effective tax rate 27.6%, average global rate 16% (weighted?)
internal royalties rates are typically meaningless because of manipulation for tax reasons [Ex.14.1]. Also report that 88% of licenses have underreported royalties [Ex.14.1].

Sales due to advertising. “Classic work on the cumulative effects on advertising” used as test Lydia Pinkham’s tonic data, a company which spent some years 85% of its sales on advertisement, but was attacked by government agencies during prohibition, since the prime ingredient was alcohol. [VIC Ch.3.3].

Historical data

Rate of return for private investment is 7.5% to 17% taking a lag of θ = 2 years and a IP decay rate δ of 25%. Lag ranges from 6/14 to 30 months. Life to 10% for products is 9 years, 11 years for process in durables and 8 years for process in non-durable goods.


K.S. Palda: “The Measurement of Cumulative Advertising Effects”; Journal of Business, 1965. Sales due to advertising. “Classic work on the cumulative effects on advertising” used as test Lydia Pinkham’s tonic data, a company which spent some years 85% of its sales on advertisement, but was attacked by government agencies during prohibition, since the prime ingredient was alcohol. [VIC Ch.3.3].


Panagiotis Papadimitriou, Hector Garcia-Molina, Prabhakar Krishnamurthy, Randall A. Lewis, and David H. Reiley, "Display Advertising Impact: Search Lift and Social Influence"; Proceedings of the 17th ACM SIGKDD Conference on Knowledge Discovery and Data Mining [KDD'11], 2011 pp.1019-1027. Read the abstract, Download the manuscript.


Rachel Parker: “Secured facility’ solves compatibility Conflicts; Info World, 28 Sep.1987 – reference for clean room software. I used a better one once? in lag paper

Ashley Parker: “G.O.P. Tax Plan Seeks Cuts in Rates and Number of Brackets”; The New York Times, 25 Feb.2014. Description of anticipated Camp’s tax proposals. Tax rate maximum 25% for all plus a 10% surcharge for incomes above $450,000. Many tax expenditures will have to be cut.


Rambus charges 3.5% of DR DRAM technology use [Ch.3]. Cites Royalty Source statistics. [VIC xls/comparables]


[Paul:12] Ron Paul: Plan to Restore America; Ron Paul Presidential Campaign Committee, 2012. Actually has numbers and totals. [VIC xls /taxproposals]


[Pearlman:11] David Pearlman, on Charlie Rose Friday night 7 Jan 2011: In the global economy there is no assured connection between income growth of Multinational Corporations and job growth in any particular country.


[Person:06] Thomas C. Person: “Preparing Multinational Companies for Transfer Pricing Audits of Intangibles”; *International Law & Management Review*, BYU, Vol.2, pp.159-200, 2006. “While most multinational companies will usually not disregard the law, some believe their business strategies may place them dangerously close to questionable areas that exploit legal loopholes.84 The natural, but unfortunate, result is that governments require more detailed transfer pricing audits to ensure that multinational companies comply with a country’s transfer pricing legal requirements and the spirit of its law.” Risks among parties. Clauses for comparables. Identify tax-planning opportunities. Division of intangibles is likely an improper pricing tactic. 361 deals with spit intangibles only. APA program. Mutual concession settlements. Location savings. Significant taxpayer victories. Company will usually achieve partial success in litigation.

[Peel:11]‡ Michael Peel: Tax Havens: In a sea of trouble; *Financial Times*, 12 Jan.2011. On BOTs. [VIC Chap.6.2.2, 6.9.1]


[Petzold:99] Charles Petzold: Code: The Hidden Language of Computer Hardware and Software; Microsoft Press, 1999; Recommended by James M. Kaplan for business-technology. Gets beneath the logical to the physical layers in the stack. Starting from first principles, and including a lot of history, Petzold explains how simple on-off switches can be combined into the mightiest of computational machines. Having read this book, you won’t be able to design circuits, but you’ll be able to understand how circuits get designed.


[Picciotto:17] Sol Picciotto (ed.): Taxing Multinational Enterprises as Unitary Firms; Institute of Development Studies, 2017


Edward G. Portofo


[Pollack:14‡] Andrew Pollack: "Drug Patents Held Overseas Can Pare Makers' Tax Bills"; *NYTimes*, 29 Sep 2014. [VIC Chap.2.6.1].

[Pollock:12] Lisa Pollock: “Tax arbitrage 101”; *Financial Times*, 25 May 2012. Tax case IRS vs HP Foreign Tac Credit generator, 4-part series: Inefficient market hypothesis, the genesis of a transaction, the anatomy of a transaction (with picture, stroopwafels and cheese), The defeat of an FTC generator. Much friction and inefficiency. Uses the Netherlands, uses Dutch tax letter,


[Pollack:14‡] Andrew Pollack: "Drug Patents Held Overseas Can Pare Makers' Tax Bills"; *NYTimes*, 29 Sep 2014. [VIC Chap.2.6.1].

[Pollock:12] Lisa Pollock: “Tax arbitrage 101”; *Financial Times*, 25 May 2012. Tax case IRS vs HP Foreign Tac Credit generator, 4-part series: Inefficient market hypothesis, the genesis of a transaction, the anatomy of a transaction (with picture, stroopwafels and cheese), The defeat of an FTC generator. Much friction and inefficiency. Uses the Netherlands, uses Dutch tax letter,


[Pollock:12] Lisa Pollock: “Tax arbitrage 101”; *Financial Times*, 25 May 2012. Tax case IRS vs HP Foreign Tac Credit generator, 4-part series: Inefficient market hypothesis, the genesis of a transaction, the anatomy of a transaction (with picture, stroopwafels and cheese), The defeat of an FTC generator. Much friction and inefficiency. Uses the Netherlands, uses Dutch tax letter,


[PrattRS:96] Shannon P. Pratt, Robert F. Reilly, and Robert P. Schweiker: Valuing a Business, The Analysis and Appraisal of Closely Held Companies, 3d ed.; Irwin Professional Publications, 1996. Reilly’s own treatise on business valuation states that “[c]apitalization of revenues is applied most frequently to service businesses, such as advertising agencies, insurance agencies, mortuaries, professional practices, and some types of publishing operations. It generally tends not to work very well for manufacturing companies”; p.227. Many traditional methods for simple cases. Cost-based methods. Life computations based on experience, as customer retention.


[Primack:13] Dan Primack: Twitter’s other tax loophole; CNNMoney, 7 Nov. 2013. This is about 7M stick options yealding a 154M credit [ACM].

[PSol:03] Permanent Subcommittee on Investigations: U.S. Tax Shelter Industry: The Role of Accountants, Lawyers, and Financial Professionals, Four KPMG Case Studies, FLIP, OPIS, BLIPS, and SC2; Report on Hearings held 18&20 Nov. 2003, U.S. Senate Homeland Security and Governmental Affairs Committee, on the Role of Professional Firms in the U.S. Tax Shelter Industry” US Senate S402-21, 130 pp. Focus on US individual returns. Fees min $0.5M to 2M for an S-corporation! Some fees contingent on tax savings. Mentions “more- likely-than-not”. “The penalties would not be greater than $14,000 per $100,000 .. fees”. Uses Tax shelter states and the Cayman islands.


[Raedler]:84] Albert J. Raedler and Friedhelm Jacob: German Administrative Principles Concerning Transfer Pricing; English translation; 1984.


[Ramos:07] Joanne Ramos: “A survey of offshore finance”; *The Economist*, 22 Feb 2007. Offshore financial centres, Macau Bermuda, Liechtenstein, Guernsey, are booming as thanks to their easy-going tax regimes. But the best of them are more than tax havens: they are good for the global financial system. Now also Dubai, Kuwait, Saudi Arabia, Shanghai (China), Khartoum (Sudan).


[Rashkin:07] Michael Rashkin: *Practical Guide to Research and Development Tax Incentives: Federal, State, and Foreign, 2nd Edition*; CH Wolters Kluwer Publications, 2007. "The Joint Committee on Taxation estimates that in 2004 U.S. corporations will use the research credit and R&D expensing to reduce their tax liabilities by 9.2 billion dollars. The perception used to be that the high-tech sector was the only heir to this tax fortune. But the Treasury Department liberalized the rules, as reflected in the 2001 proposed regulations, and now even traditional manufacturing industries are capitalizing on the research credit and R&D expensing. While maximizing these tax incentives saves companies huge sums of money, the credit in particular can represent a very confusing area of law. Both business people and their tax advisors may be unclear about the rules and how to use them to secure the greatest tax savings. Michael Rashkin, J.D., LL.M., (General Tax Counsel for Marvell Semiconductor, Inc.) provides something that has been missing in professional tax literature--authoritative, comprehensive coverage of this complex and evolving topic. It explains the elements of qualified research, exclusions, computational rules, and basic research payment credits. Historically, the IRS has been vigilant in denying R&D credits. This resource explains how to satisfy the IRS’s requirements, document the credit, and defend against IRS challenges. It also examines research incentives offered by individual states and describes the R&D incentives available in the major economies of the world, offering helpful charts that show the key differences among the various countries"; [VIC xls /taxexpenditures]


[Rauch:92] Jonathan Rauch: ; I found a 1992 <http://www.jonathandrauch.com/jrauch_articles/demosclerosis_the_original_article/> article that used the word demosclerosis:


[Raymond:01] Eric S. Raymond: The Cathedral & the Bazaar: Musings on Linux and Open Source by an Accidental revolutionary; O’Reilly, 2001. {ACM}


[Razgaitis:02] Richard Razgaitis: Technology Valuation; chaper 2 in [Goldscheider:02]


[Regan:14] Michael P. Regan: Rule of 20; Bloomberg Businessweek, 5 May 2014. Is the Stock Market Fairly Valued? 17 per S&P april 2014, versus 20-1.5% [VIC Chap.5.3.1.3, Chap.5.3,5.1].


Dolan: 11.
Shares fall on wed pricing concerns, 8 Sep 2011. 3.5%. Foxconn, Hon Hai Shares fall on weak earnings 31 Aug 2010.

Reuters: 12
“IRS gets its own swat team”; Reuters , 22 Mar.2012. Report on Maruca appointment by Dolan, KPMG, ex IRS. Hiring people from accounting firms for transfer pricing, 40 on-board, 60 to come. Questions if resources are sufficient.

Reynolds: 12
Neil Reynolds: Switzerland against the words; The Globe and Mail, Toronto, 12 March 2012. Low corporate tax. Schwyz 11.8%. This competition has a logical end – the abolition of corporate taxes altogether. This competition has a logical end – the abolition of corporate taxes altogether. Swiss author Philipp Löpfe, for one, champions such a reform. With abolition, he says, the cantons will stop competing with one another. Instead, the competition will become Switzerland versus the world. Swiss author Philipp Löpfe, for one, champions such a reform. With abolition, he says, the cantons will stop competing with one another. Instead, the competition will become Switzerland versus the world.

RhoeadesL: 12


[RICS:04] The Royal Institution of Chartered Surveyors: The Value of Intellectual Property, Intangible Assets And Goodwill, 26 Oct.2004, <http://www.rics.org.uk/Property/Propertyappraisalandvaluation/iprvaluation.htm>: "Methods for the Valuation of Intangibles. Acceptable methods of the valuation of identifiable intangible assets and intellectual property fall into three broad categories. They are either market based, cost based, or based on estimates of future economic benefits. Cost based methodologies, such as the cost to create or the cost to replace, assume that there is some relationship between cost and value and the approach has very little to commend itself other than ease of use";


[RileyV:12] Michael Riley and Aslee Vance: It's not Paranoia If They're Stealing Your Secrets; Bloomberg Businessweek, 19 March 2012, pp.76-84.


[Romano:11] Andrew Romano: Maneuver allows Career Lawyer to Wield Power in the Tax Division; Main Justice, 18 March 2011. Appointment of Mary L. Smith was rejected by the House.

[Rodrick:98] Dani Rodrik, Why do more open economies have bigger governments? Journal of Political Economy, Oct. 1998, 106 (5), 997-1032. Open economies, with more trade, (e.g., Austria, Netherlands, Norway) have larger government sectors than closed economies, which he attributes to their greater demand for public expenditures that cushion the effects of globalization. Based on correlation.


[Rosenberg:98] Barr Rosenberg: United States Equity Version 3 (E3); BARRA, Berkeley, CA, 1998. <was Barra:98> “beta, variance in stock market prices is steady”.


IEEE Spectrum, 1 Dec. 2003. Moore’s law if chip transistor growth, 1965; Rock’s law 1990: the cost of semiconductor tools; Machrane’s law: they FC price; Metcalfe’s Law: the value of anetorkk is the number of users squared. 1993; 5: Wirth’s (0r Reiser’s) Law: software is slowing faster than hardware is accelerating, 1995.(goeves givith and Gates taketh away) o quote. Check


Johnston NYT article 2002. working poor. Shelter risk & settlements p277, funding of the IRS, part odf discretionary funding, p.278. IRS hands out benefits as credits that ‘50% of the SSA, on 25% of the budget. p279. Staff size not changed since 2001 [VIC xls / pointers]


[Rubin:10] Courtney Rubin: Small Businesses fight Offshore Tax havens; Inc Magazine, 20 July 2010. Senator Carl Levin, a Michigan Democrat, is backing the campaign, officially called Business and Investors Against Tax Abuse and to be launched today.

[Rubin:11] Richard Rubin: Deposit $1billion, get a massive tax break; Bloomberg Businessweek, 7 Nov. 2011. Corporate tax rate 25%, discount of 95% in foreign income, but existing overseas profits pay 5.25%, payable over 8 years, IP based income taxed at 15%, expt in taxhavesn (tax less than 10%) plus penalties for IP income kept overseas.


Onno Ruding, Chair; EC Survey of 965 EU companies. Median revenue of all was £38.5, and £281.5 for multinationals. Effective EU tax rate for foreign-source income is 11.2%. see [Devereux:92].


Dian Ryan 2010: The following story appeared in today’s BNA Daily Tax Report. Reprinted with appreciation. TEI Audits and Appeals Seminar - On cost-sharing cases, Ryan said Appeals has completed its work on the IRS's project establishing settlement guidelines. She noted that Appeals referred the guidelines up the chain of command for review April 15. Ryan would not predict when the settlement guidelines would be finalized. Appeals currently has 20 cost-sharing cases on its docket. Ryan said the guidelines would reflect the U.S. Tax Court's Dec. 10, 2009, ruling in VERITAS Software Corp. v. Commissioner, 133 T.C. No.14. In the case, Judge Maurice Foley held the IRS improperly valued the buy-in payment in the cost-sharing agreement between VERITAS, a U.S.-parented software company, and its Irish subsidiary (236 DTR K-1, 12/11/09).

A GOP budget. “Article I of the U.S. Constitution grants Congress the power to appropriate funds from the Treasury, pay the obligations of and raise revenue for the federal government, and publish statements and accounts of all financial transactions. By law, Congress is also obligated to write a budget representing its plan to carry out these transactions in the forthcoming fiscal years. While the President is required to propose his administration’s budget requests for Congress’s consideration, Congress alone is responsible for writing the laws that raise revenues, appropriate funds, and prioritize taxpayer dollars within an overall federal budget.

Darren Rykers: A Critical Analysis of how Double Tax Agreements can facilitate Fiscal Avoidance and Evasion; The Taxpayer and the Lotus, 17 Nov.2009. <from vaibhav, get reference from Internet, chap 8, tax treaties> Treaty shopping.. have “I am very passionate about further education and have completed the CPA program, an MBA from New York Institute of Technology and am currently undertaking a Master of International Taxation at the University of New South Wales school of Law. In addition I have been lecturing in Accounting and Taxation at a number of Australian universities based in Singapore. I am a volunteer with CPA Australia assisting in the mentoring of up and coming CPA’s.”

[Saini:11] Angela Saini: A formula for Justice; The Manchester Guardian, 2 Oct 2011. Bayes rule. Comment: A`well funded prosecution or defence will always be able to buy expert opinion. Justice should be better than this. Indeed if we are to have any confidence in our system of justice it HAS to be better than this. The Court should provide an unbiased expert.


[Sample:12]‡ Bill Sample: Statement to Congress; Corporate Vice President for Worldwide Tax, Microsoft Corporation, Permanent Subcommittee on Investigations, U.S. Congress, 20 Sep.2012. Has 54,000 emp in US. Half is US revenue and growing, regions. WW OEM of windows from US. WW rates 24%. Taxed on buy-in and costsharing. Legal ownership mainly in US. Ireland, spore, Puerto hold license rights. Sold from Nevada. 77% of Us income goes to Puerto Rico. CSA with MS PR in 2005 Not risky. No know-how contributed. Money for PR came from MS Got 1.6B Round Island. Build a product release lab there. $6.3B revenue, 1.9 goes to the U.S. Plus a 4.5B buy in payments Total buy-in now $17B. [ACM]


[Sanderson:13] Rachel Sanderson: “Fiat Industrial to move tax home to UK”; Financial Times; 21 May 2013. Italy’s tax is high nad operationS, and CaseNewHolland, are in the UK, But is that all?


Nearly $10 trillion today. = .

The SEC’s budget in 1994 was $260 million, less than one-third of what it is today ($906 million). U.S. mutual fund assets, which totaled $2 trillion in 1994, have grown to nearly $10 trillion today. = .01%
These principles range from benefits received from government services, ability to pay as measured by their income, to the concept of tax policies that change people's economic behavior ("sin" taxes). Corporations, as beneficiaries of public goods, are, therefore, required to pay for the services the government provides. P., 414 that change people's economic behavior ("sin" taxes).

P., 414 that change people's economic behavior ("sin" taxes).


**[Scott:14L]** Mark Scott: Amazon’s Tax Deal in Luxembourg Is Latest Target of E.U. Inquiries; NYTimes, 7 Oct.2014. Cites collection of revenue, capping of tax oblogations, and transfer of royalties [VIC Chap.3.3.3]


Senior German Tax Officials: Transfer Pricing: German Positions Shifting on Profit Split And Comparable Profit Methods; *International Tax review*, 1 Oct 1998. Senior German tax officials responsible for Germany’s international tax policies have consistently stated in public that comparable profit methods and transactional net margin methods will not be accepted by the German tax authorities, and that profit splits are only acceptable in rare instances as a method of last resort. They have also frequently expressed their opposition to US-style economic analysis and voiced serious reservations concerning Advance Pricing Agreements (APAs). The rapid globalization of the world’s economies and the trans-nationalization of most major..


William F. Sharpe: *Investments*; Prentice-Hall, 1985. Capital Asset Pricing Model (CAPM). Expected Rate of Return on Equity Capital $RREC = RiskFreeRate + beta * (BroadStockPortfolioReturn - RiskFreeRate). In 2000 the RiskFreeRate based on U.S. Treasury Bonds was 6.13%. The BroadStockPortfolioReturn in 2000 was 11.1%, Beta for SW was 1.31, making RREC= 12.68. Per PWC a small company premium, to be added for startups is 4.4% giving 17%. Without the small-business correction the beta would be 2.174 versus the broad portfolio, less for better matching portfolio.


Helen Shaw: “Must Reading for IRS agents”; *CFO magazine*, 31 May 2006. New FASB SEC rule gives more information to IRS ‘More likely than not’ rule

Helen Shaw: “Software Capitalization Clouds Comparisons”; CFO.com, 26 May 2006. “Although many companies expense their software development costs, according to a new study, differences in accounting approaches can give "the impression that those that are capitalizing are doing better financially." Citers [Mulford:06].
Shay: Testimony before the U.:


Shaxson: Treasure Islands: Tax Havens and the Men Who Stole the World; St. Martin's Griffin, 2012. Much information, but also a diatribe.


Shay: Stephen E. Shay: Testimony to Congress: Permanent Subcommittee on Investigations, U.S. Congress, 20 Sep.2012. Harvard Law School. Retained income 8% of corporate income is deferred. Data on Ireland MS consol 69.9B 17.5% tax 90,000 emplu, offshore 55.5% earnings $15B - 4% tax, 1900 employees. $8M/employess vs 312 for Ms employees overall. Not consistent with common sense understanding. Offshore is a firewall only. 2009 guidance to subsidiary - should be independent subsidiaries, seems to be ignored. Staes effective US rate is 27%. Multiple layers of valuation issues. Only successful IP gets transferred. Accounting does not match tax and intangible value. Anti-abuse rules (956) are drafted to narrowly, and their intent can be easily subverted. "Prior to my current position, I was the Deputy Assistant Secretary for International Tax Affairs at the Department of the Treasury. Before my most recent government service, I was a tax partner at Ropes & Gray LLP for 22 years specializing in U.S. international income taxation before retiring to serve in government in 2009. I have provided a copy of my biography to the Subcommittee. I occasionally consult for Ropes & Gray LLP on mutually agreed projects. I first served in the U.S. Treasury Department’s Office of Tax Policy from 1982 to 1987. I was actively involved in the development through 1984 of the Reagan Administration’s international tax reform proposals and the legislative consideration of the proposals through signing of the legislation on October 22, 1986. The process took almost three years in total".


Sheehan: Neil Sheehan: A Fiery Peace in a Cold War: Bernard Schriever and the Ultimate Weapon; Random House, 2009. Recommended by James M. Kaplan for business-technology. Sheehan botched the framing of this book. General Bernard Schriever may have been responsible for developing the first Intercontinental Ballistic Missile (ICBM), but he’s also a cold and remote figure. It would have been more interesting to focus on the Hall brothers—Edward, the architect of America’s first ICBMs, and Theodore, who betrayed secrets from the Manhattan project to the Soviet Union. That said, A Fiery Peace in a Cold War provides fascinating insights into how Curtis LeMay’s Strategic Air Command deteriorated from an innovative, nonhierarchical organization into a dogmatic bureaucracy and how Schriever and his team convinced the Eisenhower administration to bet on a generational leap from bombers to missiles.

Lee A. Sheppard: “Megacorps Are Not Overtaxed”; Forbes, 17 Apr. 2012. Argue
ners [Helman,12] of Forbes, 16 Apr. 2012a, who wrote that LIFO and Oil exampions should remain. Tax Analysts.
Lee A. Sheppard and Martin A. Sullivan: “Repatriation Aid for the Financial Crisis”; Tax Notes, 5 Jan. 2008, profit multinationals keep offshore with the intention of maximizing tax advantages; between 2003 and 2007, the annual increase in this measure doubled, from $60 billion to $122 billion.
Heidi Shierholz: No jobs for more than three out of four unemployed workers; EPI News, Jan. 11, 2011.
Douglas H. Shulman: Prepared Remarks of Commissioner of Internal Revenue before the OECD/BIAC; 8 June 2010, Washington, D.C., www.oecd.org/document/16/0,3746, en_2649_33479_45825296_1_1_1_1,00.html. FATCA provides IRS with the tools we need to crack down on Americans hiding assets overseas. First, it increases information reporting by U.S. taxpayers holding financial assets outside the United States and imposes stiff penalties for failure to comply. It expands due diligence standards, so that we have a better line of sight to U.S. beneficial owners of accounts. It also
ramps up the stakes for foreign financial institutions that will have to agree to disclose U.S. investors to the IRS or feel the pain of a substantial new withholding tax on U.S. income and gains. The mere enactment of FATCA should prompt preparers and advisors to expand their due diligence regarding offshore account issues, including, but not limited to income tax reporting. Overall, FATCA makes the world a much riskier place for US taxpayers still trying to hide their money anywhere around the world.

[Shulman:10R] Douglas H. Shulman: IRS Realigns and Renames Large Business Division, Enhances Focus on International Tax Administration; IRS IR-2010-08, 4 Aug.2010. Shulman LB&I LB&I will add LMSB's 875 employees to the existing international staff of 600. Among the responsibilities of the new entity are: identifying and addressing emerging compliance issues; decreasing instances of tax evasion through foreign holdings; increasing IRS specialization in international issues; overseeing implementation of the Foreign Accounting Tax Compliance Act (FATCA); and revising tax treaties and tax information exchange agreements., LB&I will serve the same segment of U.S. taxpayers, which include corporations, subchapter S corporations and partnerships with assets greater than $10 million and certain high-wealth individuals.


[Simmons:94] Henry Simmons . Classic work on individual income tax.


Changes in handling of IPR&D handling are due. Watch FASB. SFAS 141 and 142. 28% discount rate used. Comment on Levitt (SEC) 1998 talk.


[Smith:1759] Adam Smith: The Theory of Moral Sentiments; Uplifting Publications, Amazon Kindle edition, 2010. On Kindle. Deals with “sympathy”, “propriety”, “happiness”, “compassion”, “To what purpose is all the toil and bustle of this world? What is the end of avarice and ambition, the pursuit of wealth, of power, and preeminence”

[Smith:1776] Adam Smith: The Wealth of Nations; Amazon Kindle edition, 2009. On Kindle “The directors of such [joint-stock] companies, ... being the managers of other people’s money that their own, it cannot well be expected that they should watch over it with the same anxious vigilance with which the partners in a private copartnery frequently watch over their own”

[Smith:97] Gordon V. Smith: *Trademark Valuations*, 3rd; Wiley 1997. Book is also referred as 'Valuation' in Amazon. In Great Britain, since 1981 'Companies Act', trademark values can be placed on the books. But the U.K. Accounting Standards Committee (ASC) disagreed subsequently, but with amortization they can appear. Internally generated trademarks are only to be put on the books if they have an ascertainable value [SmithP:00, p 92].

[Smith:08] Vernon L. Smith: *Rationality in Economics: Constructivist and Ecological Forms; Cambridge University Press, 2008.* This guide is about centrist economics but you can easily be a libertarian. The Nobel Prize winning economist has created and absorbed all of these modern advances in economics and makes the case for markets in a way that the Friedrich Hayek would love. Not very relevant as I glanced through it <gio>.


[SmithP:05] Gordon Smith and Russell Parr; *Valuation of Intellectual Property and Intangible Assets*; 3rd edition; Wiley 2000. Shirley has it, I have it in pdf form too, and the 2008 supplement. See [Carson:08] . On page 35: "A new term "Intellectual Capital" has entered the business lexicon..., "... what walks out of door at the end of the day. ". . knowledge that can be converted to value", and finally "We believe that intellectual capital is not a new category of business assets but rather a different way of classifying business assets in order to focus on their management. Intellectual capital is said to be a combination of human capital, intellectual assets, and intellectual property";

software life 10 to 15 years and likely increasing.,


[SmithV:97] Smith New Court Ltd v Scrimgeour Vickers (Asset Management) Ltd [1997] AC 254, Lord Steyn said East ‘shows that an award based on the hypothetical profitable business in which the plaintiff would have engaged but for deceit is permissible: it is classic consequential loss.’ Ref is Maurer fraudulently told East he would not run a competing hair salon, so East bought the salon from Maurer. Maurer started run a competing hair salon. East lost business. East then sued Maurer for deceit. Court of Appeal Citations [1991] 1 WLR 461


[SofkaS:04] Wolfgang Sofka and Tobias Schmidt: I Like the Way You Move: An Empirical Investigation into the Mechanisms Behind First Mover and Follower Strategies; ZEW - Centre for European Economic Research Discussion Paper No.04-087, 2004; SSRN library 167330. Recommended by Panagiotis G. Ipeirotis <panos@stern.nyu.edu>, we find that firms that choose a first mover strategy operate in industries with a lack of external knowledge spillovers to benefit from...they do not so much rely on external information sources as on internal operational...
excellence > and efficiency. This allows them to compete on lower costs once an > adventurous first mover has sufficiently reduced uncertainty in the > industry."


"Economic Life: The period of actual usefulness of an asset. Economic life refers to the period beyond which it is cheaper to replace or scrap an asset than to continue maintaining it. Not to be confused with depreciable life”; Note that IP need not be scrapped.


[Sougiannis:94] Theodore Sougiannis: “The Accounting Based Valuation of Corporate R&D”; Accounting Review, 1994, Vol.69, no.1, pp. 44-68. Profits due to advertising, but the benefits of advertising are limited to the period in which the expenditures are incurred . [VIC Ch.3.3].


Leslie Stahl: A look at the world’s new corporate tax havens; CBS News, 60 minutes, 25 March 2011; The new tax havens; CBSNewsOnline. 14 Aug. 2011

http://www.youtube.com/watch?v=MxgezC4KhXQ. Chambers: Cisco has 30B. 1.3T. "We can't write a law their lawyers can't get around. That's the whole problem here"; [Congressman] Doggett explained. "You're in Congress. Why did Congress write these laws that allowed this to happen?" Stahl asked. "There's been a lot of arm twisting, a lot of effective lobbying here, and some really smart tax lawyers figuring out how to game the system with one shenanigan after the other"; the congressman replied. "But are they shenanigans or is it the law?" Stahl asked. "I think it was a shenanigan when some of these companies felt so strongly about America that they renounced their American citizenship and began saluting a foreign flag. They exploited a provision in our tax laws and moved offshore"; Doggett said. Read more: <http://www.cbsnews.com/stories/2011/03/25/60minutes/main20046867.shtml> #ixzz1HumZMSG8>

[Standard & Poors:09] sources for corporate data: Standard & Poors and Moody's databases to ascertain companies with same SIC code, see also SEC filings and 10-K exhibits for companies in same SIC code; retrieved 2009.


[Stengel:72]† Casey Stengel 1891-1972): "Never make predictions, especially about the future". Nothing is harder to predict than the future. Authorship not verified, also attributed to Mark Twain, Yogi Berra (The future ain't what it used to be.),


[Stern:11] Andy Stern: "China 's Superior Economic Model"; Wall Street Journal, 1 Dec. 2011. At Columbia Un. Rickman center. Quoted Robert Engle"while China is making 5-year plans for the next generation, Americans are planning only for the next election". Agricultural revolution took 3000 years, the industrial revolution 300 years and this technology-led global revolution will only take 30-odd years. Cites [Grove:10].

[Stetar:03] Bill Stetar: Can We Really Measure Training ROI?; slides, DoE training Symposium, Univ. of Tennessee. IP investment.


Patrick H. Sullivan: “IRS to Take a ‘Fresh Look’ at Cost Sharing Case Inventory, Transfer Pricing Director Says”; Tax Notes, 28 July 28, 2011. Notes from 27 June 2011 speech by Sam Marucca. CIP has to be revisited because of Veritas case.


David Stewart: Cost Sharing Regs Bar Retroactive Adjustments to RAB shares, Officials Say; Tax Notes Today, 14 March 2010. Joseph L. Tobin, senior counsel, branch 6, IRS Office of Associate Chief Counsel (International), explained that the new language added to reg. Section 482.7(e)(1) on RAB makes it clear that taxpayers may not use information acquired later to make a retroactive change, but that the IRS may still make retroactive adjustments.


Joseph Stiglitz: The Price of Inequality: How Todays Divided Society Endangers Our Future; Norton 2012. Ex World bank, Nobel laureate, now at Columbia Univ. elaboration of his 2011 Vanity Fair article "Of the 1%, for the 1%, by the 1%." Have


Cliff Stoll: The Cuckoo’s Egg: Tracking a Spy Through the Maze of Computer Espionage; Doubleday, 1989. Recommended by James M. Kaplan for business-technology. Stoll’s account of tracing a 75-cent accounting anomaly back to a KGB-funded, German spy ring introduced many of us who grew up in the 1980s to the idea of information security. It provides an invaluable reminder that protecting sensitive information depends far more on the ability to ask intelligent questions than on the latest and most loudly promoted security tools. It also provides a fascinating introduction to the process of security forensics.


Pre IPO valuation by early shareholder sales. Replaced by [Protalinski:12]‡


Brad Stone: The Everything Store: Jeff Bezos and the Age of Amazon; Little Brown, Oct 2013. Opportunities in the Internet businesses. [VIC Ch10.9, G18]


Lynn A. Stout: The Shareholder Myth; Berret-Kohler, 2012 slim and elegant polemic, explains the idea’s two problems: It's worked out horribly, and as a matter of law, it's not true.[Eisinger:12] . The biggest ill has been to align top executives pay with performance, usually measured by the stock price. This has proven to be "a disaster She advocates what campaigners have called the "Robin Hood tax" — a transaction charge on securities trades. A small tax would curtail zero-sum, socially useless trading and might insulate corporations


W. Joey Styron: “Transfer Pricing and Tax Planning”; CPA journal, Vol.77 no.11, 2007 pp.40-45. DISCs and FSCs, PAD, Domestic Production Activities Deduction. Use of CFCs. Restates Regs., Comparability is key. “the taxpayer can effectively plan transfer prices to reduce taxes for the duntrooled group as a whole”.

Patrick H. Sullivan: Value-Driven Intellectual Capital: How to Convert Intangible Corporate Assets into Market Value; Wiley, 2000, 304 pp. How can buyers and sellers calculate the assets of the
acquired firm in a merger or acquisition? A source are the ICM (intellectual Capital Mangers) Gatherings [VIC Chap.5.2.8].


[Summers:88] Lawrence H. Summers, ed.: Tax Policy and the Economy 2; MIT Press, 1988, p.120. Contains Roger H. Gordon and Joel Siemrod: “Do We Collect Any Revenue from Taxing Capital Income?”


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Tetsuo Tamai and Yohsuke Torimitsu: "Software Lifetime and its Evolution Process over Generations"; Proc. Conf. on Software Maintenance, ICSM, Nov.1992, pp.33-37. [VIC Ch.5.3.3]

Tetsuo Tamai: "Process of Software Evolution"; First International Symposium on Cyberworlds, Tokyo, Nov.2002, pp.8-15. More on life and diminution [VIC Ch.5.3.3]


Roger Tang: Transfer Pricing in the 1990’s: Tax and Management Perspectives”; Quorum, 1993. A GAO survey of 519 multinationals in 1980/1981 revealed that 60.1% of IRS adjustments (as measured as a percent of total dollar adjustments), represented pricing adjustments. In terms of dollar volumes, pricing adjustments were followed by adjustments to income allocation, expense allocation, intangibles, services, interest, rentals, and gain allocation.


Vito Tanzi: Government versus Markets: the Changing Economic Role of the State; Cambridge University Press, May 2011. The author is a skeptic of a large paternalistic state and believes that the governments roles are to regulate markets and let private competition be the source of growth rather than governments fill the role of markets with failures. Given the externalities of many markets the author does not believe prices act as signals in many modern day industries and information asymmetries need to be fixed by the state. Government versus Markets is a good overview of a subject which will no doubt be a major topic of discussion in the coming decades. On the one hand, the welfare state seems to have become unsustainable and requires deep structural change to provide the populations that reside within them the opportunities that they deserve but at the same time small government reduces the voice of the community in an increasingly globalized world [Amazon reviews].

Vito Tanzi and Ludger Schuknecht: Public Spending in the 20th Century: A global Perspective; Cambridge Univ. Press, 2000. Have. Much social redistributive spending is just churning. Transparency of subsidies is need for trust. Favors privatization to reduce governments share of GDPs


Tax Foundation: National Corporate Tax Rates; <worldwide-tax.com>. United States - 47% (Federal 35% + State maximum 12%) Canada - 36.1% Mexico - 29.0% China - 25.0%

The professional edge, Taxhelp@tax-help.com, Vol III no.1, 2003.


[Thiess:12]† Rebecca Thiess: ‘Small Business’ and Top Marginal Rates. Tax filers affected by proposed rate increases are not necessarily small, or businesses, or job creators; Economic Policy Institute, Issue Brief no.349, 13 Dec 2012. Thorough comparison of the variety of metrics


[Thompson:12] Derek Thompson: How We Pay Taxes: 11 Charts; The Atlantic, 16 April 2012
Innovation fueled about four-fifths of the value of all U.S. stocks, about $5 trillion to $5.5 trillion, or 45% of U.S. GDP. According to a U.S. businesses today invest as much in intellectual property and other intangible assets, about $1 trillion, as they do in equipment, factories and other physical investments, according to a Reserve Board study. Intangible assets, including intellectual property, account for nearly one-fifths of the productivity gains during the economic boom of the late 1990s.

Romney et al. contributing to a $100 billion US treasury revenue shortfall. Business tax rates are 12% average [ACM, http://www.huffingtonpost.com/nicole-tichon/expatriate-games-more-than-b_1680250.html].

Innovation fueled about four-fifths of the productivity gains during the economic boom of the late 1990s. [ACM]
the background, let alone a tax background, need to understand what this issue is about and the all the facts and the likely real consequences of the difficult choices that will need to be made. I believe that incremental change, although politically the easy thing to do, is probably the worst thing we can do for the economy and for our long term standard of living, which I think was the point made from some of the other panels. So it is time to buckle down and get this debate developed in such a way so that regular citizens, i.e., voters get all the facts and the likely real consequences of the difficult choices that will need to be made. I think this is tough enough for the tax people, but people that do not have the business background, let alone a tax background, need to understand what this issue is about and the
economic consequences of these tough policy choices. I think there needs to be a lot more
discussion, articles, and a robust agreement as to how do we raise the standard of living.

[Tufte:86] Edward Tufte: The Visual Display of Quantitative Information, Edward Tufte; Graphics Press, 1982. Recommended by James M. Kaplan for business-technology. Design know-nothings will tell you not to simplify your slides and not put too much information on any of them. Tufte points out that communicating information is the purpose of written communications, that far too many charts don’t have much information in them at all, and that well-designed graphics allow us to absorb tremendous amounts of information quickly. For example, what Tufte describes as “layering” allows you to drill into the information you need. Think of a newspaper front page. You can scan all the headlines, then look at the sub-headlines for interesting articles, and then decide whether to read the first few paragraphs. Fortunately, the same type of layered structure can be used to communicate the business case for new initiative or project.


[Tzu:340BCE] Sun Tzu: The Art of War, translated by Samuel B. Griffith; Oxford University Press, 1983. Consider five factors: ‘moral standing, the climate, the terrain, command capability, and doctrine’
[USConst:1787] Constitution of the United States; 1787. Article 1, section 8: The power of Congress. 17 Sep. 1787, ratified 21 June 1788. [VIC Ch. 8.1]
[USITS:10] United States International Tax Site: The AJCA in 2005; USA-International-Offshore-Company-Tax.Com, retrieved 4 Jun 2012. $300B were repatriated, but funds not repatriated are out of reach of the IRS.


  Rule 9.2 binding requirements from which departure is not permitted
  (g) any hypothetical conditions necessary in the assignment.
  Comment: A hypothetical condition may be used in an appraisal only if:
  use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
  use of the hypothetical condition results in a credible analysis; and
  the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.


[UStreasury:95] An Analysis of the New Armey-Shelby Flat Tax Proposal; U.S. Treasury Department, Office of Tax Analysis, 1995; Tax Notes, Vol. 70 no. 4, 22 Jan. 1996, pp. 451-461. Flat tax is like VAT, but also taxes individuals, but businesses can deduct labor costs. In this revenue and distributional analysis of one flat tax proposal it is concluded that it would be revenue-neutral at a 20.8%. Existing proposals would, however, tend to increase the relative tax burden on the middle class.


[UStreasury:16] U.S. Treasury Department: The European Commission’s Recent State Aid Investigations of Transfer Pricing Rulings; Treasury Department, White Paper, 24 Aug. 2016. Considers EU action to tax or retroactively tax profits moved to tax havens pertaining for Apple, Fiat Chrysler,
Starbucks, and Amazon "Inconsistent with International Norms and Undermines the International Tax System:"


[VBM:04] Value Based Management.net: The Value of Intellectual Capital, do intangible assets yield a return ...? <www.valuebasedmanagement.net/faq_do_intangible_assets_create_value.html>, 2004. For Research & Development (R&D) (the only intangible asset reported separately in corporate financial statements) there has been substantial research, showing that estimated rates
of returns are in between 20-35 percent annually. The contribution of basic research often turns out to be much bigger than the contribution of product development or of process R&D (although riskier as well). Refers to IBM:11


[Veritas:T:07] see [Foley:09]


[Villalonga:04] Belen Villalonga: "Intangible Resources, Tobin's Q, and the Sustainability of Performance Differences"; Journal of Economic Behavior and Organization, Vol.54, 2004, p.205-230. “intangibles play an effective role in sustaining a firm’s competitive advantage, as predicted by the resource-based view of the firm. However, the results suggest that intangibles can also lock firms into persistent disadvantages” [VIC Chap.5.3.5.1]


[Vitalari:12] Nicholas Vitalari and Haydn Shaughnessy: The Elastic Enterprise; 2012. Large firms create profound dis-economies. Scale has come to equate with sclerosis because the costs associated with organizing more and more people scale more quickly than the additional wealth those people create.

[Vlcek:16] William Vlcek: Offshore Finance and Global Governance, Disciplining the Tax Nomad; Palgrave MacMillan, 2016. This book analyzes shifting international taxation strategies in pursuit of tax nomads, individuals and companies who minimize their tax obligations among multiple countries. Focusing on the efforts of the United States, the collective endeavours of the European Union and the global initiative of the OECD under G20 guidance, it investigates their attempts to understand and control the mechanisms employed by such nomads. The author directs particular attention to intellectual property, used by multinational corporations to move income from high-tax to low-tax locations. Contrary to claims that globalization hinders tax collection, Vlcek argues that state sovereignty and state power remain the defining characteristic of international taxation. The EU and OECD in turn, he concludes, are leveraging cooperation with the US to force other countries to share taxpayer information with them. This significant work will interest economists, political scientists and tax experts.


Indirect reference to recent Israeli regulations, promoted by Netanyahu, limiting new holding companies to two levels of subsidiaries, and restricting existing ones to three levels.


Eric A. Walden: Intellectual Property Rights and Cannibalization in Information Technology Outsourcing Contracts; MIS Quarterly, Vol.29 No.4 - Dec.2005, 699-720. Importance of SW. SW as an outcome to be allocated (not divided as in first par.) (but it is also an input!). Lengthy intro with too many examples of tangibles. The last sentences p.702, col.2, par 1. are dumb, because they suppose that investment is more than the value garnered, The reasoning does not apply at all to cost-shared SW development. Since we base value on income, value is verifiable (p.705, col.2 last par). Excludability implies risks in offshoring (p.706, col.1. Last par.), including cannibalization (p.711, col.1). The payoff alternatives could be interesting in comparing technical R&D investments and marketing investments. But the model assumption is throughout that all parties share the market, but in CFC contracts the markets are always contractually disjoint, say North-America versus the rest of the world. This choice is not listed as an alternative in Table 3. Globalization.


Steve Wamoff: Policy Options to Raise Revenue; Citizens for Tax Justice, 8 March 2012. Behaviorl response to raising capital gain. $533/10 years. saved. S-corporations don’t pay medicare.


Leslie Wayne: How Delaware Thrives as a Corporate Tax Haven;The New York Times, 30 Jun.2012. 1209 North Orange Streety: American Airlines, Apple, Bank of America, Berkshire Hathaway, Cargill, Coca-Cola, Ford, General Electric, Google, JPMorgan Chase, and Wal-Mart. Plus laundering illicit money and criminal proceeds, Officials in the Cayman Islands, a favorite Caribbean haunt of secretive hedge funds, say Delaware is today playing faster and looser than the offshore jurisdictions that raise hackles in Washington. Anthony B. Travers, chairman of the Cayman Islands Stock Exchange and former chairman of that country’s Financial Services Association. “There should be a level playing field and Delaware should have to comply with the same standards as the Caymans.”. Last year, 133,297 businesses set up here. And, at last count,
Delaware had more corporate entities, public and private, than people — 945,326 to 897,934. Over the last decade, the Delaware loophole has enabled corporations to reduce the taxes paid to other states by an estimated $9.5 billion. Laszlo Kiss, an Romanian accountant and author of “United States, Tax Heaven — Uncle Sam Will Fight Your Taxes!” that praised the state’s lax rules. He is now awaiting trial in Bucharest on charges of helping embezzle and launder $10 million through Delaware shells. The New York Times Company has seven corporate subsidiaries registered at 2711 Centerville Road in Wilmington. The registered agent for that address is the Corporation Service Company, which is the second-largest agent in the state. Bradley P. Lindsey, an accounting professor at North Carolina State University and one of three authors of a 2011 study titled “Exploring the Role Delaware Plays as a Domestic Tax Haven.” Delaware does not tax certain profit-making intangible items — like trademarks, royalties, leases and copyrights. Yet those same intangibles can be part of a tax strategy that allows them to be classified as deductions in other states, reducing a company’s tax bill there. [ACM]


[Weiler:04] Dave G. Weiler: Valuing Your Intellectual Property for Strategic Alliances and Financing; Presentation at NJSBDC, 8 Dec 2004. Shows results from RoyaltySource,


[Weissler:01]† Robert Weissler: APA Study Guide; www.irs.gov/pub/irs-apo/apag_sudy_guide_.pdf>, in 11 Transfer Pricing Report 533, 10/2/02, 2002. p.59 with 461 f memo 457 outline 403b “The precise definition in the regulation is somewhat difficult to understand” “For purposes of this section, the interquartile range is the range from the 25th to the 75th percentile of the results derived from the uncontrolled comparables. For this purpose, the 25th percentile is the lowest result derived from an uncontrolled comparable such that at least 25 percent of the results are at or below the value of that result. However, if exactly 25 percent of the results are at or below a result, then the 25th percentile is equal to the average of that result and the next higher result derived form the uncontrolled comparables. The 75th percentile is determined analogously.” Reg. § 1.482–1(e)(2)(iii)(C)” (filed in guidance/references/Weissler, also CSA slides).


[West:11] Darrell M. West, Technology and the Innovation Economy; Governance Studies. The Brookings Institution , 24 Oct. 2011. The United States spends only 2.8 percent of its federal budget on national research and development as a percentage of GDP. This is less than the 4.3 percent spent by the government in Sweden, 3.1 percent by Japan, and 3.0 percent by South Korea, but higher than that of Germany (2.5 percent), <plus Fraunhofer> France (2.2 percent), Canada (1.9 percent), or England (1.9 percent). Europe as a whole devotes 1.9 percent to research and development, while industrialized nations spend around 2.3 percent.[x] If one adds together all the science and

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technology workers in the United States as a percentage of the workplace, 33 percent of American employees have science or technology positions. This is slightly less than the 34 percent figure for the Netherlands and Germany, but higher than the 28 percent in France and Canada.\[xii\]


[WhiteM:‡] J.B. White and M.P. Miles; “The Financial Implications of Advertising as an Investment”; Journal of Advertising Research, 1996. “advertising is indeed a strategic investment in the organization’s stock or intangible assets, future cash flows, and market value. As an investment in an invisible asset, advertising should be subjected to the same capital budgeting analysis as any other expenditure that produces multi-period cash flows.” [VIC Ch.3.3].


[Wiederhold:5:09] Simon Wiederhold: Government Spending Composition in a Simple Model of Schumpeterian Growth; 2009, Jena Research group on The Economics of Innovative Change. (simon.wiederhold@uni-jena.de) (Friedrich Schiller University Jena, GK-EIC), now in Munich.


[Wicks:64] [VIC xls / irs]

[Willoughby:14] Mike Willoughby: Are you making the most of your engineering talent?; The Engineer, Feb. 2014. It takes 8.2 years on the job for an engineer to become an expert in Oil and Gas production.


[Wills:05] John Wills: Restoring the U.S. Concept of Intangibles, Tax Notes International, Vol.37 no.6, 7 Feb.2005, pp.495-499. Intangibles, Real and Imagined, the role of tacit know-how. The arm’s-length fiction is often hard to maintain. [VIC Chap.3.3.3.2]


[Wilson:07]‡ Fred Wilson: Failure rates in early stage venture deals; Union Square Ventures fund 29 Nov 07. 1/3 successful, 10.2 leverage 1/3 even good deals, average 2.6 le vars. 1/3 gone.


Monetary System (the “Stiglitz Commission”) mentioned a financial services tax as a way of providing more stable and sustainable development finance that would also help to stabilize markets. The tax would be automatically collected at the exchanges and borne equally by buyers and sellers using the electronic settlement systems. Between 0.01%-0.1%.


Jens Wittendorff: Transfer Pricing and the Arm's Length Principle in International Tax law; Kluwer. 2010. “If market imperfections in an industry make it economically optimal to internalize a particular activity, then all things being equal this will happen and associated enterprises will outperform independent enterprises” (p.783). Only a casual mention of taxhavens.

Richard Wolf: Why Globalization Works; Yale Nota Bene, Yale University Press, 2005. Pp: 135-304 Why the critics are wrong , p 305-320. Corporate influence is less than made out to be, (50/100 in list versus countries, ) but still significant 29/100?). “Tax havens are just termites” p.268. Admits ignoring “The looming debate about the tradeability of Services”. Since people don’t move assumes their IP does not move. Need world-wide taxation to overcome effect of IP sales. Taxation and regulation p.252. The Internet is only 0.4%of GDP. Depends on OECD data. [VIC xls /taxrates]

Fred Wolferman: How About a Zero Corporate Tax?; The Pilot, North Carolina, 1 July 2011. Several good comments as well.


Democracy at Work, A Cure for Capitalism; Haymarket books, 2012. Emains traditiona Marxist arguments. Suggestion is that Worker’s Self-Directed Enterprises (WSDEs) should replace tradional corporations, maybe starting with businesses that fail. Have.

Outsourcing Jobs and Taxes; Renewing America, Council on Foreign Relations, 11 Feb.2011. Several good comments as well.


Tom Worstall: Ireland To Close Apple’s Tax BraK, Not that It Will Make The slightest Difference to Anything At All; Forbes Tech, 16 Oct. 2013. Announcement by Michael Noonan, Ireland’s finance Minister.

Tamu N. Wright: Transfer Pricing: AstraZeneca Announces Plan to Pay IRS $1.1 Billion to Settle Transfer Pricing Issues; BNA daily tax report, 30 March 2011. Subsequently AZ reduced its reserves for taxes by $2.3B, and added $500M to its earnings.


[Wydick:08] Bruce Wydick: Games in Economic Development; Cambridge University Press, 2008. On Kindle. It has math. But it is written simply and clearly and the math is confined to specific sections. You can easily skip the math and fully benefit from this book. It is not just a book about economic development, but rather a book about markets that are (1) out of equilibrium, and (2) with poorly defined and enforced property rights. But to some degree that is true of all markets and this perspective takes you deep into the foundations of both capitalism and civilization. Incredibly sophisticated. Reinforces many of these lessons and teaches many more. Ultimately culture is what matters more than markets or government.


[Zachary:94] G. Pascal Zachary: Show Stopper! The Breakneck Race to Create Windows NT and the Next Generation at Microsoft; Free Press, 1994. Recommended by James M. Kaplan for business-technology. Developing a new commercial operating system is a monumental undertaking, requiring not only big technology bets, but also the coordinated effort of thousands of business analysts, technical architects, developers, testers, product managers, marketers, and others. Zachary’s book provides an all-but-unique window into the mechanics of a complicated,
expensive, multiyear development effort. It also recognizes that such efforts are as much human events as technological ones, with developers and managers anxious to advance their careers, terrified about making the wrong architectural choices, terrified that the code just won’t work, and exhausted by hours required to shipping deadlines.

The Cuckoo’s Egg: Tracking a Spy Through the Maze of Computer Espionage; Doubleday, 1989. Stoll’s account of tracing a 75-cent accounting anomaly back to a KGB-funded, German spy ring introduced many of us who grew up in the 1980s to the idea of information security. It provides an invaluable reminder that protecting sensitive information depends far more on the ability to ask intelligent questions than on the latest and most loudly promoted security tools. It also provides a fascinating introduction to the process of security forensics.

Zadrony:06 Wlodek Zadrony: "Leveraging the Power of Intangible Assets"; MIT Sloan Management Review, Vol48. No.1, Fall 2006, reprint #48117. Ignores Software, but cites that info is in corporate DBs and can be mined. In TT-IP/worth references.[VIC Chap.3]


Zerbe:10 Dean Zerbe: IRS Audits Small Biz More, Big Guys Less; Expert View, FORBES.com, 11 April 2010. Hour benefit per hour audit in LMSB is $9,354. Audit rate 25%. The IRS should also tell more.


Zollo:10 Thomas M. Zollo: “Clarification or Modification? The Tax Treatment of the Outbound Transfer of Goodwill, Going Concern Value, and Workforce in Place to a Foreign Corporation”; Tax Mgmt. Int’l J., Vol. 39, Feb. 12, 2010, p. 71. [VIC Chap. 3.3-3.8]. While he makes an argument that workforce in place is not taxable IP in an export, it solidifies the position that know-how is distinct (in my opinion)


An OFC is a country or jurisdiction that provides financial services to nonresidents on a scale that is incommensurate with the size and the financing of its domestic economy.