References for: Gio Wiederhold:

Valuing Intellectual Capital, Multinationals and Tax havens
Springer Verlag 2013

VIC Citations

This list includes all the references cited, as well as others that I have persused. For general information, I chose 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 Valuing Intelectual Capital have [bold identifiers]; entries considered, but not cited are marked ‡. Entries marked † were used for [W: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 CACM blog.

[b]AAAbAbAbAbAbAbAbAbAbAbAbAbAbAbAb


Aaron:13C] 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]


Adams:12] Scott Adams: Dilbert; Famous Quotes, Retrieved Jan. 2012. “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'." [VIC 5.1]

[ADLittle:85] 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]

[AF:04] The Appraisal Foundation: Uniform Standards of Professional Appraisal Practice; Standard 9, 2004 Edition. [VIC .3.3]


[AJCA:04] 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:12] Phil Albinus: Fleeing Dodd-Frank, Hedge Funds Follow the Sun; Advanced Trading, 5 Jan 2012. Tax havens 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:09] 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 regard 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.

[Alder: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.

equal status requires that corporations pay income taxes. The benefits of limited liability independent of 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]‡


[AndrusP:09] Joseph L. Andrus and Irving H. Plotkin: PKN Alert United States - President Obama’s proposal to limit shifting of income through intangible property transfers; Pricing Knowledge Network, PricewaterhouseCoopers, 22 May 2009. Calls §936(h)(3)(B) a laundry list, but laundry lists do not have an entry for ‘other similar items’


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 corporation include a significant amount of value in the form of workforce-in-place and that such workforce-in-place is not taxable. Workforce-in-place is properly treated as an intangible under § 936(h)(3)(B), and is therefore taxable under USC § 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].

Any changes? Eurodollar reserves in 1976, 222.1B SDR. $485B per Morgan Guarantee. [VIC 4.4]

Use of cost sharing by oil companies, equal risk.

The input to software IP generation, a component of intellectual capital. Coherence and complementarity.

Unclear that the concept will be effective as long as sometax havens are left.

The platform approach to transfer pricing is now official, and applicable to transactions made after 5 Jan.2009.

The concept will be effective as long as sometax havens are left.

The platform approach to transfer pricing is now official, and applicable to transactions made after 5 Jan.2009.
Geoffrey Mann, Corporate Taxation in the Internal Market; Commission of the EC, 23 May 2006.


Suzanne Maloney (Rothschild): The Future of Corporate Taxing in the 21st Century; 2005. Emphasizes that the tax system is tied up in long-term issues like the housing market.

David Auerbach, University of Michigan, "Making incremental changes is more effective than grand ones." Institute for Fiscal Studies, Annual Lecture, 15 Sept. 2004.


European plans for a financial transaction levy are likely to be diluted.


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[BahreeB:12] [VIC xls / taxhavens]


[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.


[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. ??VVV

[Baran:6x] Paul 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/Table.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]


BeckerF:06‡ Johannes Becker and Clemens Fuest: Why is there Corporate Taxation? The Role of Limited Liability Revisited; Jortal of Economics, Vol.92 no.1, Sep.2007, pp.1-10. [VIC Chap.10.9.1 G3]


Bell:09a Kay Bell: Tempting the Tax Auditor; Bankrate.com, 2009.

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[Benioff:09] Marc Beniff: 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.


[Blake:10] Rich Blake: Smaller Fish to Fry – IRS targets self-Employed; ABC News, 9April 2010. $345B. In 2006, the IRS conducted around 1.2 million examinations of individuals who earned less 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.

[Blessing:09]‡ Peter H. Blessing: testimony, Hearing on Banking Secrecy Practices and Wealthy American Taxpayers; The Subcommittee on Select Revenue Measures of the House. Committee on Ways and Means, 111th Cong. 2, 2009 http://waysandmeans.house.gov/media/pdf/111/pbless.pdf (, Partner, Shearman & Sterling “It never will be possible to eliminate criminal or fraudulent behavior in respect of financial accounts, even such behavior on a very large scale.”).


[BLS:04?]‡ 4663 jobs lost 1Q94


[Boehm:00]† Barry Boehm et al.: Software Cost Estimation with Cocomo II; Prentice-Hall, 2000.
[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 [Bartlett:11]‡ a it is a flat like tax at 30% and rebates to individuals. Diatribe. Have. [VIC xls /taxhavens] [VIC xls /taxproposals]
[Brilli:12]‡ Alex Brill: A Pro-Growth, Progressive, and Practical Proposal to Cut Business Tax Rates; Tax Policy Outlook, no.1, American Enterprise Institute, Jan 2012. Advocates gradually lowering Copr income tax to 25% - gets rid of domestic preference, . Disallow 10% of C-copps interest deductibility. Make 50% depreciation permanent, gradually limit benefit for home mortage deduction; remove state and local tax deduction. Repeal AMT.
[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.


am not as sanguine that we have the models that are adequate for the modern world. In addition


Illustrated Guide to Trends in America, 1900

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Entrepreneurs, that ‘knowledge is property and no one can own it.’

Review of [Egger:13]. ‘... the ideology, widespread among technology entrepreneurs, that ‘knowledge is property and no one can own it’

Favors territorial taxation

IRS adding 350 people. Services being finalized.

Adventurous tax planning, REPO became part of the AJCA [Kokenos:05]‡

Available at SSRN: <http://ssrn.com/abstract=434760> ?AAA more footnotes than paper. US corporate shareholders lose dividend deduction. Adventurous tax planning, REPO became part of the AJCA [Kokenos:05]‡

IRS adding 350 people. Services being finalized.

Includes Middletown study <http://www.pbs.org/fmc/book.htm>
to asymmetric behavior of individuals neglecting the leverage of intellectual capital in high-tech enterprises omits the largest fraction of income generation. The worries expressed about loss of intellectual property is meaningless if the generating process is ignored.

[Carlsile:14] Linda Carlisle: People pay at ...; comments with [GrimWC:14]. rules for TIAs


[VICchap.2]


[CarmichaelEA:09] Philip Carmichael, Brian A. Cromwell, Holly E. Glenn, Robert S. Kirschenbaum, Gregg D. Lemein, Marc M. Levey, Holly K McClellan, Margreet G. Nijhoff, John M. Peterson, and Salim R. Rahim: IRS Issues Long-Awaited Temporary Regulations on Cost Sharing Arrangements; Baker & McKenzie, 12 Jan 2009. Based on investor model issued 2005. uses platform contributions. (PCT) Earn profit on R&D contribution. Temp. Treas. Reg. § 1.482-7T(c)(5) (Example 2). narrower range of deviations Temp. Treas. Reg. § 1.482-7T(c)(5). (Example 2). Now a finite period. Temp. Treas. Reg. § 1.482-7T(c)(5)(Example 2). Temp. Treas. Reg. § 1.482-7T(c)(5) (Example 2). Difference in risk. Moreover, the 2005 proposed regulations provided that external contributions may include an expert R&D team and suggested that an assembled R&D workforce may constitute a valuable intangible. The Preamble to the 2005 proposed regulations stated that “[T] he Treasury Department and the IRS believe that a contribution of such an experienced team in place would result in the contribution of intangible property within the meaning of §1.482-4(b) and section 936(h)(3)(B) (emphasis added).” The temporary regulations do not limit platform contributions that must be compensated in PCTs to the transfer of intangibles defined in section 936(h)(3)(B). If the PCT Payee contributes the services of its research team for purposes of developing cost shared intangibles pursuant to the CSA, the PCT Payor would owe compensation for the services of such team under Temp. Treas. Reg. §1.482-9T. The temporary regulations provide that treatment of the contribution of services of a research team as controlled services is without any inference concerning the potential status of workforce in place as an intangible within the meaning of section 936(h)(3)(B). Thus, the temporary regulations purport to decouple the compensation due for an assembled work force and the finding of an intangible transfer, perhaps recognizing that the definition of intangibles under section 936(h)(3)(B) is not as broad as the IRS might have wished.


[Carroll:10] Robert Carroll: The economic Effects of the Lower Tax Rate on Dividends; The Tax Foundation, Special Report 181,7 Jun./2010


[CBO:05] CBO: Corporate Income Tax rates: International Comparison; Congressional Budget Office, Congress of the United States, Nov.2005. Shifting sources. Ignores investments in intangibles. Companies will invest in countries with lower taxrates (Chap.6, <10>)<not that simple>

[CBH:10] From LMSB to LB&I, IRS continues to Increase Emphasis on International Compliance; Cherry Bekaert&Holland, 30 Aug 2001. in Federal Tax compliance . See [Shulman:10R]


[CCH:09] CCH Editorial Staff: Internal Revenue Code; 2 volumes, CCH Wolters Kluwer, Winter 2009. The material is also available on-line at the IRS web site and at [LLI:92]:

[CCH:10] CCH Editorial Staff: Income Tax Regulations, including proposed regulations; 7 volumes, CCH Wolters Kluwer, Winter 2010. The material is also available on-line at the IRS web site and at [LLI:92]:

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


[ CerfK:00] Vint Cerf and Bob Kahn: "Al 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.


[ChapotonG:88] 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 foreigb 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).


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”;; “it is our duty to close these loopholes as far as possible before they are so widely resorted to as to injure the revenue”;


CIA:11‡ [VIC xls /taxhavens]


[Clarke:76] Darral Clarke: Cumulative Advertising Effects, Sources and Implications, Report no.77-111, 1977, Marketing Science Institute, 1976. Marketing IP life, measurements varied from 1.3 to 1368 months, cigarettes 17-677 month, also to 90 total. [VIC Ch.5.3.3]


[Clauing:09] Kimberly A. Clausing: “Multinational Firm Tax Avoidance and Tax Policy”; *National Tax Journal*, Vol.62 no.4, Dec 2009, pp.703-725. Here is the abstract: This paper considers the tax policy consequences of both real and financial types of international tax avoidance, focusing on U.S. 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.


The consequences are often grotesque… In 2006 the Democratic Republic of Congo paid 2001% in taxes on the proceeds of a bauxite mine. The tax rate was 30% on shares and 0.01% on bonds, but its 4%.*


* [MarkleS:09] ‡ North Carolina study.


¢ [Collier:10] Paul Collie: The political Economy of Natural Resources; Social Research, Vol.77 no.4 Winter 2010. 


¢ [Collier:10W] Paul Collie: The political Economy of Natural Resources; Social Research, Vol.77 no.4 Winter 2010.

¢ [Cohen:14] Roger Cohen: “Europees transactietaks dreigt vooral de kleine aandelenbelegger te raken”;


¢ [Collier:10W] Paul Collie: The political Economy of Natural Resources; Social Research, Vol.77 no.4 Winter 2010. 

¢ [Cohen:14] Roger Cohen: “Europees transactietaks dreigt vooral de kleine aandelenbelegger te raken”;


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[Collins:111] Lauren Collins: “House Perfect, is the IKEA concept comfy or creepy?”; The New Yorker magazine, 3 Oct.2011. Includes IKEA’s tax avoidance.


[ConnerS:09] Patrick D. Conner, E. Andrew Southerling: New SEC Chairman Mary L. Schapiro Pledges Swift and Vigorous Enforcement; Morgan Lewis Litigation Practice, 12 Feb 2009


[Constantinides:89]* G. M. Constantinides:; “Theory of Valuation: Overview and Recent Developments”; in [BhattacharyaC:89], on Beta.


Patrick Cox: Taxmasters: We solve your Tax problems; Patrick Cox, 2011. Nice Graphs. Corporate Tax should be zero. Used in Figure AppG.3. <<from Tyler Cowen T:11>>


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

Peter Coy: “The Rise of the Intangible Economy”; BBW, 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%. [VIC 7.6]

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


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[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.


Article 5. Income from any industrial, commercial or agricultural undertaking and from any other business, trade or profession shall be taxable in the State in which the real centre of management of the undertaking is situated.

Article 7. Income from shares or similar interests shall be taxable in the State in which the recipient 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.

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 business, trade or profession shall be taxable in the State in which the real centre of management of the undertaking is situated.

Article 7. Income from shares or similar interests shall be taxable in the State in which the recipient 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.

Working Paper No. FIN-99-024. R&D cost should be treated as (tax deductible) capital expenses. Putting IP on books was possible before 1975 in U.S., and under IAS 9.


Article 5. Income from any industrial, commercial or agricultural undertaking and from any other trade or profession 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.


little more than half of the total U.S. corporate income taxes. Quotes rules for new Japan
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[Daum:01] Juergen Daum: The New DASB rules for reporting in Intangible Asset – The U.S. Versus the
European way; The new New Economy Analyst Report, 10 Nov.2001. Scandinavian countries
report IP.

[Davidoff:11] Steven M. Davidoff: DealBook: The Benefits of Incorporating Abroad in an Age of
Holdings offers a case study on how globalization increasingly allows companies to avoid taxes
and regulation in the United States. JPMorgan Chase estimates that American multinationals
have $1.375 trillion in cash sitting overseas. [ACM]


[Davidson:12] Adam Davidson: “The Purpose of Spectacular Wealth, According to a Spectacularly
Wealthy Guy”; The New York Times, 1 May 2012. Preview of Conard, defending the 1%.

[Davis:09] Manny Davis: Symantec Wins Tax case – Not responsible for IRS Back Taxes ;

[DavisPKM:11] Benjamin Davis, Elizabeth Ridlington, Gary Kalman, and Jeffrey Musto: "Tax Shell
Game: How much did Offshore Tax havens Cost you in 2010?"; U.S. Public Research Interest
Avoided Through Offshore Activity, Havens, U.S. PIRG Says. [VIC xls / taxrates]

[DavisM:97] Shelley L. Davis and Mary Matalin: Unbridled Power: Inside the Secret Culture of the IRS.

[DavydenkoSZ:12] Sergei A. Davydenko, Ilya A. Strebulaev, 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)

Financiele Dagblad, 19 Jan.2013. Problems with resolving Enron’s bankrupt shell operations in the
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[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.

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[DelMonte:10] James Del Monte: IT Employer Information, Cost of Hiring/Turnover (CoH); JDA
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indirect $253K.

Deloitte Development LLC, 10 May 2010.

significant subsidiaries, paperwork reduction.

taxes, so a poor basis for royalty.

[deMoolij:05] Ruud Aloysius de Mooij: “Will Corporate Income Taxation Survive?”; De Economist,
wither. taxing reduces risk if failure!

[deMoolij:09]† Ruud de Mooij: “An applied analysis of ACE and CBIT reform in the EU”; CPB Discussion


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

[DengL:06] 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.


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


Alexis de Toqueville: Democracy in America; On Kindle.


Michael Devereux, Rachel Griffiths, and Alexander Klemm: Can international tax competition explain Corporate Income Tax reforms?; Compute effective tax rates (EMTR) as tax paid over earnings. Still based on reported taxable earnings.

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.

Michael Devereux and Christian Keuschnigg: Distorting the Arms-length principle; Oxford University Centre for Business Taxation, Working Paper 09/10, July 2009. “arm’s length prices systematically differ from independent party prices”


Dharmika Dharmapala, C. Fritz Foley, and Kirstin J. Forbes: ‘Watch what I do, Not what I say’: The unintended Consequences of the Homeland Investment Act; NBER working paper 15023, June 2009. HIA is an alternate for the AJCA. $300B repatriated the same amount paid out in dividends.


James Brooks Dill: The Statutory and case law applicable to private companies; Baker, Voorhis & Co, 1898. Internet Archive, 3rd Ed. The original corporation law, as defined in New Jersey, 1896. [VIC App.B].


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


[DossaniK:??] Rafiq Dossani and Martin Kenney: “The relocation of Service provision to Developing Nations, The Case of India”; pp. 193-217. Year?


[DowdMM:12] Tim Dowd, Robert McClelland, and Athiphat Muthiacharoen: New Evidence on the Tax Elasticity of Capital Gains; Joint Committee on Taxation. June 2012, JCX 56-12, 49 pp. pass through capital gains are highly sensitive to persistent tax changes, not mutual funds.


the users' choice of only one infomediary per content category for a first-mover advantage first-to-market [Tolman]:


[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, 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]


[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 underestimate the sub’s post buy-in sales.

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 Jul.2013, pp.60-61. Useful quantitative data about the PC industry, Taiwan, China, and the move to mobile.


[Edvinsson:02] Leif Edvinsson: Corporate Longitude; Financial Times, Prentice Hall, July 2001. "links the value of Human and Intellectual capital into measurement and economic results” Financial information is only one dimension (latitude). Leif is at Skandia and a professor of Intellectual Capital at Lund University, Sweden.


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


<http://www.cbo.gov/ftpdocs/120xx/doc12085/03-10-ReducingTheDeficit.pdf>. [VIC xls/Taxexpenditures]

[Eisinger:12A] Jesse Eisinger: How Shareholders Are Hurting America”; Pro Publica Trade, 27 June 2012. Many good comments

[Eisinger:12B] Jesse Eisinger: Incoming Regulator promises no more Coddling of Banks”; Pro Publica Trade, 13 June 2012. Treasury sluggish in dealing with banks


[Ellott:12] Justin Elliott: when the GOP Tried to ban Dark Money; proPublica, 8 March 2012. Quote in comment: John - Walter, you’re right on target regarding the founders, but metaphors aside, money is not speech. Especially in a world that includes the Internet and volunteers, it’s entirely feasible to put a strict limit on campaign spending across multiple organizations. And whether or not a corporation is a person, it absolutely isn’t a citizen, and we explicitly ban non-citizens from political speech to sway campaigns. So the infrastructure already exists to limit any of these corporate entities the way we’d limit a Chinese millionaire.

[Elliott:12D] Justin Elliott: when the GOP Tried to ban Dark Money; proPublica, 8 March 2012. Quote in comment: John - Walter, you’re right on target regarding the founders, but metaphors aside, money is not speech. Especially in a world that includes the Internet and volunteers, it’s entirely feasible to put a strict limit on campaign spending across multiple organizations. And whether or not a corporation is a person, it absolutely isn’t a citizen, and we explicitly ban non-citizens from political speech to sway campaigns. So the infrastructure already exists to limit any of these corporate entities the way we’d limit a Chinese millionaire.


[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]

[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


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 fro indefinitely reinvested. Indefinite reinvestment APB 23 temporarily outside basis differences, has an exceptions. Section 956.

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Chris Faiferlick, Robert Miall, And Paul Balkus: Response of members of Ernst & Young’s Global Transfer Pricing Team to the OECD’s Invitation to Comment on Transactional Profit Methods; OECD, Paris, 2006. In OECD: TransactionalProfitMethods-ResponsesToTheOECD InvitationontoComment.

Padraic Fallon; (ed); Euromoney magazine. On iPad


approach to the synchronization of life cycle. Received from Gupta, Intel Oregon `Fabless does only Tock, using existing libraries'.


[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.


Robert Feinschreiber: Transfer Pricing Handbook, 3rd edition; Transfer Pricing


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.

Martin Feldstein: A Simple Route to Major Deficit Reduction; Wall Street Journal, 20

Martin Feldstein, James R. Hines Jr. and R. Glenn Hubbard (eds.): Taxing multinational

Martin Feldstein, James R. Hines Jr. and R. Glenn Hubbard eds.: The effects of taxation
226-24094-9.

Martin Feldstein and Joel Slemrod: "Inflation and the Excess Taxation of Capital Gains on

Mark Felt (Deep Throat): Discussion with Bob Woodward; All the President’s Men, Warner

Norman E. Fenton snd, Shari Lawrence Pfleeger: Software Metrics; Less (11 pages, 3 pages
of criticism: 15, 97,148,259,326, 413-414, 453) on Function Points. See FentonPages.jpg.

Pablo Fernandez: “Market Risk Premium Used in 2008 by Professors: A Survey with 1,400

Pablo Fernandez: Equity Premium: Historical, Expected, Required and Implied; IESE
Business School, Univ. of Navarra, Spain; SSRN eLibrary, <http://ssrn.com/paper=1609563,
2010.

Pablo Fernandez: Ten Badly Explained Topics in Corporate Finance Books; IESE
WACC and family.

Pablo Fernandez: Valuing Companies by Cash Flow Discounting: Fundamental
Relationships and Unnecessary Complications; IESE Business School, Univ. of Navarra, Spain

Pablo Fernandez: Valuation and Common Sense; IESE Business School, Univ. of Navarra,

1,959 Valuations of the YPF Shares Expropriated to Repsol; IESE Business

Pablo Fernandez, Javier Aguirreamalloa, and Luis Corres Avendaño: Market Risk
Premium Used in 56 Countries in 2011: A Survey with 6,014 Answers; IESE Business School,

Pablo Fernandez, Javier Aguirreamalloa, and Luis Corres Avendaño: Market Risk
Premium Used in 82 Countries in 2012: A Survey with 7,192 Answers; IESE Business School,
Univ. of Navarra, Spain, 13 June 2012; SSRN <http://ssrn.com/abstract=2084213>.


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’


And that is also why Congress has denied the citizenry the benefit of a plate dinners and similar devices will tap them for campaign funds. That is why members of thousand special provisions to benefit their clients. And so long as lobbyists are active, thousand billions of dollars at stake, lobbyists are actively pressing fo

The reason is that so long as a tax bill is under consideration, with many special provisions to benefit their clients. And so long as lobbyists are active, thousand billions of dollars at stake, lobbyists are actively pressing fo. 

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.

Also good summary data. Includes a national sales tax. Support for Herman Cain 9-9-9 proposal. Run by Gary Robbins.
27, ZEW - Zentrum für Europäische Wirtschaftsforschung / Center for European Economic Research.


[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 caused loss of protected IP.


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[Galandak:13] John Glandak: Uncertainty: Good for Science, Bad for Business; Commerce, The Business of New Jersey, www.commercemagn.com, Jun.2013. 23% of small business owners cite taxes as the single most important problem [NFIB]. It costs small businesses 76% more (basis?) yo comply 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.


[GAO:85] Tax Administration, the federal/state tax information exchange program; GAO report to the Commissioner of Internal Revenue, December 1985. Nothing specific, based on sample


[GAO:08F] GAO: Tax Compliance: Businesses Owe Billions in Federal Payroll Taxes; GAO-08-617, 23 July 2008). uncollectible. gA0 noted that the IRS assigned to revenue officers about $7 billion, and about $9 billion remained in the queue awaiting assignment.In addition, GAO’s analysis found that the number of businesses with more than 20 quarters of tax debt (five years of unpaid payroll tax debt) more than doubled between 1998 and 2007


[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, specically 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 adption 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 jurisdications. Focus on-highrisk cases. FATCA, Significant foreign opposition to FATCA. Solution is to withhold 30% of apyments to foriegn finacoal institution - but does not address IP. .. Effort needed to implement changes. Hunman 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 1ST (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.”1[32] 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.”


GerthMH:11 Jeff Gerth, Megan Murphy, and Vanessa Houlder: Corporations Couldn’t Wait to ‘Check the Box’ on Huge Tax Break; Probublica, Nation of Change, 27 Sept.2011.


Gigerenzer:08 Gerd Gigerenzer: Gut Feelings: The Intelligence of the Unconscious; Penguin 2008. 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.

[Gigot:12] 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.


[Gladstone:1898] 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.


[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


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.

Lawrence Gooch: "In-Process R&D"; Chapter 9, p.176, Handbook of Advanced Business Valuation, McGraw-Hill, 2000. "... the cost approach is generally not a good measure of IPRG 9in-process R&D) value"; [VICchap 5>

Marvin Goodfriend: Eurodollars; Chapter 5 in <>; Federal reserve Bank of Richmond, VA, 1993. 1988 estimate by Morgan 2,587B

Bob Goodlatte and Rober C. Scott: Business Activity Tax Simplification Act, (BATSA); HR 1439, 13 April 2011. State and Internet taxation harmonization. Cites case of Quill Corp. vs North Dakota.

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 [...] tempo of the crowd. also George J.W George. The world is not the way they tell you it is".


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.


Roger H. Gordon and Jeffrey K. Mackie-Mason: “Why is there corporate taxation in a small open economy? The role of transfer pricing and income shifting”; in Martin Feldstein, James R. Hines Jr. and R. Glenn Hubbard eds., The effects of taxation on multinational corporations
(Chicago: University of Chicago Press, 1995). A 10% reduction in non-corporate income tax only shifted 0.2% of assets out of corporation form.[deMooij:07]+ risk is more important. , but see [Goolsbee:04]+ [VChap.9]


[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.


[Grilliches:84] Zvi Grilliches: R&D, Patents, and Productivity; Univ. of Chicago Press, 1984. Rate of return for private investment in the late 50ties and early 60ties are 30-45%.


[Hall:01] Bronwyn H. Hall: Tax Incentives for innovation in the United States; Asesoría Industrial ZABALA-Spain, report Inno-00-93 the EU, 15 Jan.2001. R&E data and many more.


[Halls:99] Joshua Hall and Jim Saxton: Tax Expenditures, A review and Analysis; Joint Economic Committee, United States Congress, Aug.1999. 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.


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 have.

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.


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


Arnold V. Harberger: “Corporate Tax Incidence, Reflections on What is Known, Unknown, and Unknowable”; in [DiamondZ:08], p.297-299.


Steve Hargreaves: “Big Oil’s $4 billion tax break is in doubt”; CNNMoney, 29 April 2011.

John Marshall Harlan: Santa Clara County v. Southern Pacific Railroad; US Supreme Court, Session 228, 394, 1886. Corporate person hood, corporations are individuals. [VOC Ch10, G4]


Invention Value Distributions”; ZEW Discussion Papers 97-30, ZEW - Zentrum für Europäische Wirtschaftsforschung / Center for European Economic Research. Patent office fees for non-exclusive licensing are reduced by 50%, based on a survey 21 years after issuance.


[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.


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."


[Helman:12] 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].


[HenriquesS:06] 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.

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 entierly possible for firms to adjust transfer prices in a tax-sensitve fashion without violating any laws” [p.7].

[HirscheyW:85] Mark Hirschey and Jerry J. Weygandt: Amortization Policy for Advertising and Research and Development Expenditures; Journal of Accounting Research, Vol.23, No.1, Spring, 1985, pp.326-335. 5. R&D amortization 10-20% advertising 10-20 for non-durable goods and 30-60% for durable goods, also later [HirscheyW:98] R&D has double the life of Marketing,


[HirtlHK:09] Peter B. Hirtle, Emily Hudson, and Andrew T. Kenyon: Copyright and Cultural Institutions; Cornell University Library, 2009, <http://ecommons.cornell.edu/handle/1813/14142>

[Hitchner:06] James R. Hitchner: Financial Valuation, Application and Models; Wiley 2006, 1336pp. Many examples, check-sheets, and references. Good for CPAs. The only intangible is goodwill. An addendum on intellectual property focuses on consulting organizations, not on high-technology. Examples show a 16-18% discount rate for technology, 25% for in-process R&D.

[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.


[Hoffelder:12] Kathleen Hoffelder: “Effective Tax Rate rises for Industrials”; CFO magazine, 16 June 2012. Effective Tax rates up, Three-year ETR for 324 industries 26.3% vs 25.6% prior period. Only 23 companies had credits for domestic manufacturing or R&E,


[Holmes:04] Oliver Wendell Holmes: ‘Taxes are what we pay for a civilized economy’.


[Hosaka:11] Tomoko A. Hosaka: Olympus Chairman Stepping down amid Scrutiny; Bioscience Technology, 26 Oct.2011. Advisors normally get 102% of a deal, Olympus UK paid over a third of $2B.


[Huber:08] 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 solutins 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 Hungerford: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 ‘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 III, 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 III, 1985. The main law fro transger pricing, only one paragraph, the rest is defined by regulations [IRSregs-482].


[IRC-904:85] Dept.of the Treasury: USC Title 26, §904: Limitiation on credit; based on The yyyy Act of 1984; US House of Representatives H.R.tttt, Public Law III,


IRS: Employee Data; retrieved Dec. 2010, <jobs.irs.gov/mn-attorney.html>. 1500 attorneys in Office of the Chief counsel. 290 in LMSB in DC, PA NY IL TX CA [VIC xls /irs]‡


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


IRS Internal Revenue Manual; <www.irs.gov/irm>


[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-SPPI:09] [VIC xls /irs]


[IRS-TAM:09] IRS: Wheter 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-TG:12] 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-TI:11] IRS tax information for corporations: FASB Interpretation No.48, Accounting for Uncertainty in Income Taxes; IRS, 17 March 2011

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>, retrieved 2010

IRS: Final report on Treatment of Services under Section 482--9T; August 2006, 189pp. CostPlusMethod,

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


IRS: Final report on Treatment of Services under Section 482--9T; August 2006, 189pp. CostPlusMethod,

[IRSregs936-6:96] Internal Revenue Service: T.D. 8669 10/8/1996 Computation Of Combined Taxable Income Under the Profit Split Method When the Possession Product Is a Component Product or an End-Product Form For Purposes of the Possessions Credit Under Section 936


[Wide vs. Territorial.](https://www.jct.gov/reports/)

[Background Information on TaxExpenditure Analysis and Historical Survey of Tax Subsidies are tax provisions that are “deliberately inconsistent with an identifiable general rule of the present tax law” quoted by Hungerford:11]


[Joint Committee On Taxation: A reconsideration of Tax expenditure Analysis ; JCX 37-08, 12 may 2008. Tax subsifies are tax provisions that are “deliberately inconsistent with an identifiable general rule of the present tax law” quoted by Hungerford:11](https://www.jct.gov/reports/)

[Joint Committee on Taxation: Present Law and Background Related to Possible Income Shifting and Transfer Pricing: JCT report (JCX-37-10, 20 July 2010. Section 936 Conversions-p.37.](https://www.jct.gov/reports/)

Changes in taxation of pass throughs may again reconsider their structure. Also LIFO. Growth in all sizes, but more stable since 2003. In HMAT.xlsx Corptax, Uniform pass-through. Large c-corp – large S corp by 2003

Jefferson:1816‡ 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>>


JensenM:76‡ Michael Jensen and William Meckling: “Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure”; Journal of Financial Economics, 1976. Deinning: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.


Johnson:05R‡ Calvin H. Johnson: Can the IRS be well liked?, Rossotti’s Many Unhappy Returns; Tax Notes, Tax Analysts, 2005. Remaining problems not addressed


Johnson:05V‡ Erinn R. Johnson: “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


JohnsonKxx‡ Johnson and Kaplan: Relevance Lost;


[Johnston:03E]† David Cay Johnston: “Tax Moves by Enron Said to Mystify the I.R.S.”; The New York Times, 13 Feb.2003. 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”


[Johnston:12] David Cay Johnston: “Congress’ Potential Faulty Tax Logic”; The National Memo, 3 March 2012. Lowering corporate tax should cause dividend rates to go up to counteract wage depression per [HasettM:10]‡.


[JollyK:12] David Jolly and Brian Knowlton: “5 European Nations Agree to Help U.S. Crack Down on Tax Evasion”; The New York Times, 8 Feb 2012. 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:13]† Sam Jones: Cayman Islands to open to scrutiny; Financial Times, 16 Jan 2013. [VIC 6.1]


can do to get it back
Forward

companies “avoided $60 billion in taxes by shuttling profits offshore”; Expanded on [GAO:08
Avoidance on the Rise”; Greenlining Institute, 2011. The report finds that U.S. Fortune 100
based on [KangN:

Property”; STI Working Paper 2006/5, 2006, Statistical Analysis of Science, Technology and

3.5

technology-driven companies need to shift from a product-innovation culture to a
process-innovation culture as their markets mature. [VIC 3.5]

[Can:03]† Stephen Kan: Metrics and Models in Software Quality Engineering; Addison-Wesley 2003. [VIC 5.1, M4 ]

Mitigated, Report Says; Tax Notes Today, Tax analysts. 18 April 2012. 30 high tech companies;
Avoidance on the Rise”; Greenlining Institute, 2011. The report finds that U.S. Fortune 100
companies "avoided $60 billion in taxes by shuttling profits offshore”; Expanded on [GAO:08]‡.
[VIC 9.3.2]

Forward”; NY Times, 29 sep 2014. [VIC Chap.6.10]

[Kao07] John Kao: Innovation Nation, How America is losing its innovation edge, why it matters, and what we
can do to get it back; Free Press, 2007. [VIC xls /GNP&GDP. Have. reviewed by Stine Grodal in
Science, Sep.2008. [VIC 5.1, ]
Based on [HurstP:11] only a very small fraction of small businesses innovate and grow. Based on [VICH 8.7.3].
Charles Kenny: “Factory Jobs Are Gone. Get Over It;” *Bloomberg Businessweek*, 27 Jan. 2014. 1953 manufacturing was 28% of GDP, 12% in 2012, but 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 Ch 9.6.2].


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 (Bi lanzmodernisierungsgesetz) went into force on May 29, 2009.


Elizabeth King: “Valuing an Assembled Workforce”; in *Contractor:01*, pp.264-279.

Corporate taxes constituted 30 percent of all federal revenue in the mid-2000s, according to the Advisory Panel on Tax Reform, which recommended reducing the top corporate tax rate to 25 percent. The panel also recommended broadening the tax base to reduce compliance costs and promote economic growth.

Edward Kleinbard, a law professor at USC Gould School of Law, testified before the U.S. House of Representatives Ways and Means Committee in June 2013. In his testimony, Kleinbard discussed the importance of tax policy in addressing economic challenges and promoting growth.

Kleinbard argued that the current tax system is complex and costly to administer, leading to high compliance costs and potential underreporting. He recommended simplifying the tax code and eliminating many deductions and exemptions to reduce the burden on businesses and individuals.

Kleinbard also emphasized the importance of tax policy in promoting international competitiveness. He noted that many countries have lower corporate tax rates than the United States, which can make U.S. companies less attractive to investors and businesses.

In his view, the United States should consider adopting a tax system that is based on a combination of business profits and economic activity. This approach would allow companies to deduct domestic expenditures from their taxable income, while also taxing foreign income at a lower rate.

Kleinbard's testimony highlighted the need for policymakers to consider the broader implications of tax reform, including its impact on jobs, growth, and the overall competitiveness of the U.S. economy.

In summary, Kleinbard's testimony underscores the importance of tax policy in promoting economic growth and international competitiveness. His recommendations for simplifying the tax code and adopting a more business-friendly approach are likely to be considered by policymakers as they work to address the challenges facing the U.S. economy.
1950s. That rate had fallen to 6.6 percent by 2009. 975 employees in tax department. Some later corrections re state and future taxes. GE has $90B offshore. graphics. ..[ACM].


[Kolm:03] Petter Kolm: Trends in Quantitative Finance; 2006, <petter.kolm@gmail.com>


[Kotlikoff:13] Lawrence J. Kotlikoff: Common Sense Tax; Blog 2013, <http://www.thecommonsensetax.org/revenueneutralit.html> no corporate tax, payroll tax of 13% and 25% tax on households over 55/100K, to be revenue neutral. Social Security income and
unemployment payments are exclude, and mortgage intrest computed as as imputed rent, and
gifts and charitable contributions can be deducted.

contribution. 6 Jan. 2014. Refers to a simulation which makes it revenue-neutral. Assumes short-
run inflw of calpita, I use 10 years [VIC 10.7.4].

Intergenerational unfairness [VIC 10.7.3].

[KotlikoffJ:05] Lawrence J. Kotlikoff and Sabine Jokisch: “Simulating the Dynamic Macroeconomic and

[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.

[Kovacs:06] László Kovács: EU tax policy and its implications for Ireland; European Commission, 2006,
Presentation in Ireland. The Author is the European Commissioner for Taxation and
Customs.

[KPMG:08] KPMG International: KPMG's Corporate and Indirect Tax Rate Survey 2008; KPMG
On JGTRRA . relate cap gains rate to S&P/GDP. Correlation -.35 = weak negative. Realization
~3% of GDP.

capricious, or unreasonable'

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

[Krouse:12] Sarah Krouse: “Budget day scramble for estate agents and lawyers”; Financial News,
DowJones, 23 March 2012.


/April 1994, pp.28-44.

blog.

More stimulus

on Kindle, now in references Reprint of 1996 Harvard Business school paper. Balance among
countries; advice ignores stemming the identified current outflow of Treasury bills. It’s all
tangibles.


[KueblerE:01] D. Kuebler and W. Eibach: Metering and Accounting for Web Services, A dynamic e-

Cited by [Breslin;13] “The F/RAND dispute resolution process should require that the licensor
specify a cash price for its SEPs as an alternative to other pricing arrangements as an aid in
evation of the proposed license terms by the third party. ... “.


[LathamS:05] Robert Latham and Saskia Sassen (eds.): Digital Formations: IT and New Architectures in the Global Realm; Princeton University Press, 2005. 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.
Nicholas Lemann: "Street Cop, Since 2008 the financial industry has changed the way it does business. Can the S.E.C.’s Mary Jo White control it?"; The New Yorker Magazine, 11 Nov 2013, p.44-55. More focus on enforcement and convictions than just settlements at the SEC. Likely less on regulations.


[Lemann13] Nicholas Lemann: “Street Cop, Since 2008 the financial industry has changed the way it does business. Can the S.E.C.’s Mary Jo White control it?”; The New Yorker Magazine, 11 Nov 2013, p.44-55. More focus on enforcement and convictions than just settlements at the SEC. Likely less on regulations.


[http://clawback.org/about/]. Balancing privacy in an adsupported mobile application market; 2. Beranasek say dec 2003?

[Sonny Chan CS207] Specifics about State incentives for corporations, tax expenditures and subsidies.


exam, outside advisors, use of appeals [p.277]. IDR sources [p.297]. R&D sources [p.303], unusual patterns [p.303]. "Embeed sW [p.306]. High case loads and scarce resources interfere with the work of economists [p.307]. Strategic disadvantage in TP preparing a detailed rebuttal, may help the IRS [p.309]. Settlement [p.314]. Limited communication between exam and appeals [p.315]. Statute of limitations p245, the IRS attempts to understand the function and the risks of the business, and attempts to understand the effect of the intangibles on the transactions [p.304]. Keep the IRS examiner on track 305. If the IRS team were to misconceive the benefit contributed by an intangible 306. High case loads and scarce resources interfere with the work, most IRS economists. P307. (Have) Double taxation,


[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 multinational corporations [MNEs] possess significant experience with transfer pricing issues”;[p.2] , “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 arm’s 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 method [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]. [], taxpayers hope to get away with low valuations by taking extreme positions [p.83]. 3-year limit [p.90]. Contemporaneous documnetaion [p.91]. IRS can initiate exam/audit based on questionable result [p.91]. Tisk of resolution [p.103]. Shortage of IRS economists [p.114]. Incentive to move offshore [p.125]. Reserve for uncertain tax obligations [p.134]. Simple comparison 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.


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.


[LiebermanM: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. Upadte 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 model of the company 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]


[LLI:92R] Legal Information Institute: Federal regulations; in [LLI:92], for regulations section `§’ in Part 1 use <http://www.law.cornell.edu/cfr/text/26/1,§-0> for the first Section (-0).


[Lindsay:09] Brink Lindsay: Nostalgianomics; the Cato Institute, 2009. <http://www.cato.org/pubs/wtpapers/Nostalgianomics.pdf>. Critique of Paul Krugman’s policies. “Often this phenomenon is discussed in terms of the growing share of total income accounted for by the top 1 percent, or top 0.1 percent, of earners. All of these statistics, though, are based on income tax data; and income reported for tax purposes, especially by high-income taxpayers, is extremely susceptible to changes in the tax code. Thus, analyses that track incomes over decades and multiple major changes in tax policy are highly problematic.17 Income gap increases due to excess supply of unskilled workers and shortage of skilled workers.


[Linebaugh:13] Kate Linebaugh: “Firms Keep Stockpile of ‘foreign’ Cash in the U.S.”; Wall Street Journal, 23 Jan.. 2013. 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 10.6, but 75% is invested in the US. Google $29.1B. [ACM]


[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,


[Maarsen:12] 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.


[Madoff:12] 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. Thus, for five years, the capital-gains preference will cost the government about $1 billion each year. It also creates a powerful incentive for people to hold on to their appreciated property until death. This so-called lock-in effect impedes the efficient flow of capital. [ACM]


[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


In the U.S., the tax on profits that far exceeded assets, sales and employees 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]

Kevin S. Markle and Douglas A. Shakelford: The Impact of Headquarters and Subsidiary Locations on Multinationals 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 tax haven 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>). 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 April 2005. “The Service will undoubtedly be frustrated in its efforts to enforce the U.S. tax law vis-à-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:14] Roger Martin: “The Rise (and Likely Fall) of the Talent Economy”; Harvard Business Review, Oct. 2014, pp. 41-438. 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]


[Mathur:12‡] Aparna Mathur: How Taxing the Rich Harms the Middle Class; The American, the Online magazine of AEI, 15 Feb. 2012.


[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]


William McBride: "GAO Compares Apples to Oranges to Find Low Corporate Effective Tax Rate"; Tax Foundation, 3 Jul. 2013. [ACM]


Cynthia Kopkowski McCabe: Education Funding, Follow the Money; National Education Association, Feb. 2009.

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


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 multi-faceted analysis of tax evasion in cultural and institutional context, and, more generally, a study in ethical dilemmas and rational decision making.


[Bethany McLean and Joe Nocera: 2011] All the Devils are Here; Portfolio, 2011. About the financial crisis, CDO’s, Solid history, politically neutral. Countrywide CEO Angelo Mozillo.


[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”.


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


[MintzC:14] Jack Mintz and Duanjie Chen: The U.S. Corporate Effective Tax rate: Myth and the Fact; Tax Foundation, Feb.2104, [http://taxfoundation.org/article/us-corporate-effective-tax-rate-myth-and-fact]. The article actually deal with the Marginal Effective Tax Rate (METR), imposed on the last dollar of income, which is closer to the statutory tax rate actually deal with the METR, imposed on the last dollar of income, which is closer to the statutory tax rate.


[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 [FehrJK:13].


By moving to full deductability of dividends for corporate profits, territorial taxation becomes closer. But taxhavens can still be addressed.


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July 2000, pp.195-196. Stepdown of royalty based on increasing ownership by the CFC, DHL encumbered trademark case. Marlet cap value too high [VIC app.C.3.2]


[Musher:00] Steven A. Musher: Cost-sharing of ongoing research and development (“R&D”) on acquired technology; IRS Field advice, released 7 Jan 2000.

[NadirI:96] 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.


[Nakamura:99] 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


[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


“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.”

[Obama:08] Barack Obama 2008 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. (<http://www.barackobama.com/pdfs>/taxes/Factsheet_Tax_Plan_FINAL.pdf). See [Weiner:09] ???


[OBrienO:99] 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.


[OdagiriEa:10] 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. At Abe books 45+8.91. And Amazon $38. 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.


[OECD:01] 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, 34 pp. 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>


[Olson:02] inversion testimony cited in PalanMC:10


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.

[Oxfam:00] Oxfam: Tax Havens: releasing the hidden billions for poverty eradication, Oxfam UK All---
Party Parliamentary Group on Africa, 2000, From Vaibhav CS207


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. Quiggin’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 not 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

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?)

[Pakes:79] Ariel Pakes and Mark Schankerman: Rate of Obsolescence of Knowledge, Research Gestation Lag, and the Private Rate of Return to Research Resources; NBER working paper no.346, May 1979; with citation updates in [Grilliches 84, p.73-88]. Uses a patent renewal model. Based on data published in [Grilliches 80] Rate of return for private investment is 7.5% to 17% taking a lag of 0 = 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.


[Parilla:64] “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.


[Parr:07] Russell Parr: Royalty Rates for Licensing Intellectual Property; Wiley, 2007; Kindle edition, 2007. On Kindle. Reports royalties/ op. profit margins for SW 6.8/18.8%, for electronics, 4.0/8.8%, for computers 4.0/6.9%, and for healthcare 4.8/14.8% in terms of revenues. Trademark royalty are a median of 5%. Also reports that 88% of licenses have underreported royalties [Ex.14.1], and that internal royalties rates are typically meaningless because of manipulation for tax reasons [Ch.4].

Fortunately, 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.


Many traditional methods for simple cases. Cost capitalization 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. 

Cost-based methods. Life computations based on experience, as customer retention.


[Popperl:85] Karl R. Popper & Konrad Lorenz: *Die Zukunft ist Offen*; Franz Kreuzer ed., 1985. p.74 “arguing that some structures, like airplanes, contain so many ideas that they are not comprehensible to anyone individual; hence they require collaboration” (translated with the assistance of Oliver von Schweinitz, LL.M. 2(03); (Schwarz:10, on ENRON)


[Posner:77] Richard A. Posner: *Economic Analysis of Law*; Little, Brown, 1977. The more precise a rule is, the more likely it is open up loopholes – to permit by implication conduct that the rule was intended to forbid. See also TaxPolicyCenter11.

[Post:13] Rick Post: Why Microsoft opened their Europena HQ in Ireland; *Gateway to Europe Expo 2013*, San Francisco, 17 April 2012. The Irish government is very flexible...[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.


RRRRRRR


[Ramos07] 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, SaudiArabia, Shanghai (China), Khartoum (Sudan).
Employees bear the burden of corporate tax in proportion to their shares of revenues.


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”;


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


Jonathan Rauch: Government’s End; 2005. The implicit assumption has been that whenever markets fail the government will do a better job. That is an odd assumption. This book is basically an introduction to public choice theory. It explains how special interests corrupt government. For a more sophisticated version see The Myth of the Rational Voter: Why Democracies Choose Bad Policies (New Edition)


John Rawls: A Theory of Justice ; 1971. states, peoples, sovereignty
... intellectual property, for the authors, is a separate category still, characterized by creativity/innovation and by separate legal recognition/protection.

Consideration on Software Valuation, Cocomo 1981

Defines IP p.20

Investment and Finance; McGraw

99

9. "human capital intangibles" consist of "trained and assembled workforce"

of the software and maintenance or enhancement practices". The market for the software. "... physical deterioration is not generally applicable to data-processing intangibles... Functional obsolescence is often immaterial when the software is continually maintained and enhanced"[p.372]. "human capital intangibles" consist of "trained and assembled workforce" and various contracts such as non-compete agreements, all having possible separate and quantifiable value. They consider goodwill to be a separate intangible. Intellectual property, for the authors, is a separate category still, characterized by creativity/innovation and by separate legal recognition/protection.[?]

V I C x 1 s

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Reshoring Initiative: Total Cost of Ownership Estimator™; 2014 software. Enables aggregation of all cost and risk factors into one cost for simpler objective decision making.


Flextronics sees Pressure on operating margins, 8 Sep. 2110. 3.5%. Foxconn, Hon Hai Shares fall on weak earnings 31 Aug 2010.

“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.

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 Lüpfle, 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 Lüpfle, 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.’


Lorenzo Ricardo: *Chinese Tax Law and International Treaties*, Springer, 2013, 282pp. Covers 1 Jan. 2008 laws on Corporate (Enterprise) taxation. Rate is moving to 25%. Also 3% VAT, There is a 5% Business tax on sales of intangibles and Real estate. Has 13 pages on transfer pricing.

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’’;


[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”.


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

permanent R&D credit. Depends on growth. But effect is less today [MankiwW:05] mankiw 2012 comment on Romney bill: 30% recovery of corp. tax, 10% on labor tax reductions. [VIC xls /pointers]


[Ruding:00] 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].


[Ryan:10] 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).

[Ryan:11] Paul Ryan: The Path to Prosperity, Restoring America’s promise; US Congress, House Budget Committee, 5 April 2011 proposal. 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.

[Rykers:09] 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.”


http://www.clevelandfed.org/research/trends/2011/0111/01regact.cfm. the primary reasons firms are not investing more are lack of demand and uncertainty about the health of the economy.


[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 rate ios 24%. Taxed on buy-in and costsharing. Legal ownership mainly in US. Ireland, spore, Puerto hold license rights. Sold from Nevada. $7% 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 reveenu, 1.9 goes to the U.S. Plus a 4.5B buy in payments. Total buy-in now $17B. [ACM]


The biggest jumps came at the top of the income ladder. About 18% of Americans earning at least $10 million were audited in fiscal 2011, up from 11% in fiscal 2009, according to the IRS. For those earning $500,000 to $1 million, the audit rate rose to 3.4% from 2.8%.

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The SEC's budget in 1994 was $260 million, less than one-third of what it is today. The SEC's budget in 1994 was $260 million, less than one-third of what it is today.


Sargent:05] John Sargent; Office of Technology Assessment, 2005. US IT employment 3.170M. Via ACM globalization report. <but OTA was closed in 1995>


Saunders:11] Laura Saunders: “Rich Are Targeted in IRS Audit Offensive”; Wall Street Journal, 4 April 2011. The biggest jumps came at the top of the income ladder. About 18% of Americans earning at least $10 million were audited in fiscal 2010, up from 11% in fiscal 2009, according to the IRS. For those earning $500,000 to $1 million, the audit rate rose to 3.4% from 2.8%. The biggest jumps came at the top of the income ladder. About 18% of Americans earning at least $10 million were audited in fiscal 2010, up from 11% in fiscal 2009, according to the IRS. For those earning $500,000 to $1 million, the audit rate rose to 3.4% from 2.8%.


Schaeffer:04] Bernie Schaeffer: Dynamic Market Opportunities; PRNnewswire, 17 Dec.2004. “2004 certainly seems to be the ‘Year of the merger’.. with over 9800 deals concluded so far. The combined total is $789M, a 43% surge over the 552B last year”. Attached to Johnston:05


today ($906 million). U.S. mutual fund assets, which totaled $2 trillion in 1994, have grown to nearly $10 trillion today. = .01%


[Schreiber:12]‡ Ulrich Schreiber: International Company Taxation, An Introduction to the Legal and Economic Principles; Springer, 2012. All the formulas you’d want, little semantics

[SchumanO:93] David Schuman and Dick W. Olufs III: Public Administration in the United States; Lexington, 1993,2nd Edition, D. C. Heath and Company. ...discuss several principles that can guide the choice of who should pay taxes. 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., 414-420).

[Schumpeter:112] Joseph Alois Schumpeter: The Theory of Economic Development, an inquiry into profits, capital, credit, interest, and the business cycle; 1912, translated from the German Theorie der wirtschaftlichen Entwicklig, 1911, by Redvers Opie; Harvard University, 1934; Oxford University Press, 1961; reprinted by Transaction Publishers, 1983. All goods have their origin in labor or


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]


[SGO:98] 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..


[Sharpe:85] William F. Sharpe: Investments; Prentice-Hall, 1985. Capital Asset Pricing Model (CAPM). Expected Rate of Return on Equity Capital \( R_{REC} = \text{RiskFreeRate} + \beta \times (\text{BroadStockPortfolioReturn} - \text{RiskFreeRate}) \). 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 \( R_{REC} = 12.68 \). 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.


[Shaw:06] 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


“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." Cites [Mulford:06] .

[Shaw:06E] Helen Shaw: “Execs: Broken Tax System hurts Business”; CFO magazine, 21 Sep 2006. Quotes Rossotti at Senate hearing.. 2.9 changes per working day. Kimberly-Clark’s 2005 tax return was 3,300 pages. Nom specific detail, clean slate wanted...

2012.


[Shulman:10O] Douglas H. Shulman: Prepared Remarks of Commissioner of Internal Revenue before the OECD/BIA; 8 June 2010, Washington, D.C., www.oecd.org/document/16/0,3746,en_2649_33749_45425296_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.


Henry Simmons: Classic work on individual income tax.


Aashish Singhvi: Global Semiconductor Alliance Chain Practices Report; Global Semiconductor Alliance (GSA), 2010.

Upton Sinclair: I, Candidate for Governor: And How I Got Licked ; 1935; University of California Press, 1994. ISBN 0-520-08198-6, p. 109: “It is difficult to get a man to understand something, when his salary depends upon his not understanding it” (applies to IP valuation) quoted by Gillian Tett in [Byrnes:12]


Joel B. Slemrod: “Professional Opinions About Tax Policy, 1994 and 1934”; National Tax Journal, March 1995, Vol.85 no.2, pp.121-147; also appears in [Slemrod:99]. <check> Survey based“it is administratively not feasible to tax on a residence basis, (so one has to tax on a source basis). Less emphasis on redistribution of warlalth? 28% for a flat tax, 36 for value added tax vs income tax. 70% for taxation of inflation adjusted. capital gains as ordinary income (65%).


Joel B. Slemrod (ed.): Tax Policy in the Real World; Cambridge Univ. Press, 1999. Have. About 20 papers

[SlemrodS:93] [VIC xls / irs]‡


[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: Intellectual Property, 4th edition; Wiley 2005. Shirley has it, I have it, 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 intensive knowledge exchange, additionally leveraging this advantage > through excellent absorptive capacities. [...] On the follower side we identify companies that 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.."


[Sougiannis:94] Theodore Sougiannis: “The Accounting Based Valuation of Corporate R&D”; The Accounting Review, Vol.69 No.1, Jan.1994, pp.44-68 at 65. File GbG/refs/Sougiannis.pdf>. On the average a $1 increase in R&D spending leads to a $2 increase in profit over a seven year period and a $5 Market value increase. Some is due to shareholders seeing and valuing IP R&E credits are considered.


The future ain't what it used to be. 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.).

“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.).

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.


[Stewart:11] David Stewart: “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..


[Stewart:12D] 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.


[Stiglitz:12] 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


[Stout:12] Lynn A. Stout: The Shareholder Myth; Berrett-Koehler, 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


Reg., Coparability is key. “the taxpayer can effectively plan transfer prices to reduce taxes for the donstrooled group as a whole”.

[Sullivan:00] 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 Managers) 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 Slemrod: “Do We Collect Any Revenue from Taxing Capital Income?”


[Swenson:00] Deborah L. Swenson: “Tax reforms and Evidence of Transfer Pricing”; National Tax Journal, Vol.54 no.1, March 2001, pp.7-25. Also UC Davis and NBER, 2000. <http://www.econ.ucdavis.edu/faculty/dswenson/Research/TPRICING.Sept00.pdf>. Problems with intangibles are worse. Tangibles: … reported prices rise when the combined effect of taxes and tariffs provides an incentive for firms to overstate their prices. While the results are statistically significant, they are economically small, implying that a 5% decline in foreign tax rates causes the reported price of affiliated firm imports to rise by 0.024%. Because transfer price manipulation is predicated on the actual flows of goods among countries, this method of moving income may be more costly than other methods of income shifting. While the manipulation of intra-firm trade transfer prices represents one potential avenue for income shifting, my evidence from trade transaction prices suggests that the manipulation of product transfer prices is not generally responsible for large movements in reported income.


Dolan questions if resources are sufficient. Problem with intangibles. Court decisions lost. 60 to come. face of budget cuts. Today (79%) follows cheating on ones’ spouse (88%).

interest rate and unemployment ?

Cambridge Univ. Press, 2000. Have. Increasingly globalized world deserve but at the same time small government reduces the voice of the community in an 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].

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].

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.

Taylor rule for Fed. Reserve interest rate and unemployment ?


[Thiess:11R] Rebecca Thiess: Republican Proposal to `right our fiscal ship' throws more workers overboard; Economic Policy Institute, 9 Feb 2011.


[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


[Thomas:05] Chantal Thomas: “Trade-Related Labor and Environment Rights Agreements”; in [ChoiH:05], p.108-133. WTO and IP rights trade under TRIPS.


Innovation fueled about four-fifths of the productivity gains during the economic boom of the late 1990s. [ACM]

替换成本或资产的替代成本。15年。

Intangible assets, and value lag. 15 years.

替换成本或资产的替代成本。15年。

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 Federal Reserve Board study. Intangible assets, including intellectual property, account for nearly one-third of the value of all U.S. stocks, about $5 trillion to $5.5 trillion, or 45% of U.S. GDP.

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Consider five factors: ‘moral standing, the climate, the terrain, command capability, and doctrine’


[TRAC:08] TRAC IRS: Audits of Largest Corporations Slide to All Time Low; Transactional Records Access Clearinghouse, Syracuse University, 14 April 2008. co-director Susan Long. audits of corporations reduced by 20% between 2002 and 2007. Corporation with assets of less than 50M increase by about 30%, of less than 250M decrease by about 30%, greater decrease by nearly 40%. more audits of passthroughs 239 -> 316 staff hours versus corporations 2.763 - @.153, (in which large corps 2.584-1,610. Based on Rosotti sept 2002, IRS data books, 2001-2007.


[Tuerff] T. Timothy Tuerff (Deloitte), Daniel Shaviro (NYU), Douglas A. Shackelford (UNC), Timothy M. McDonald (Procter&Gamble), and Michael Mundaca (Treasury): “Panel Session 4: Alternatives for Taxation of Foreign Source Income”; Taxes – The Tax Magazine, CCH publishers, June 2008, pp.71-86. Subpart F. Territorial vs World wide. Reforming Deferral Rules. Consumption tax. Non-corporate business paid 51.5% of business taxes in 2004. MacDonald: 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 outside of the tax community and 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.


[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’


Cameron acts as a representative of the City of London. [VIC Ch. 6.2, App.D: City].


IP-intensive industries employ 19M workers; they average a 60% greater salary than similar workers in non-IP intensive industries. IP-intensive industries generated $7,700B in gross output, over 33.1% of U.S. GDP, and account for about 60% of US exports, $910B in 2007.


[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.


Binding rule 9.2 (g):" 
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.
" 

Clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

[UStreasury:95] An Analysis of the New Arne, 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.


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intangible assets, yield a return ... 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

WWW


[WainerAS:13] David Wainer, Gwen Ackermann, and Shoshanna Solomon: An Israeli Power Broker With an Empire at Risk; BBW, 7 Jan 2013. 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.


[Walden:05] 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.


[Wayne:12] 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/apa_study_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 25percent 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), 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 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][ix] Michael Arndt: “Ben Franklin, Where Are You?” Business Week, Jan.4, 2010, p. 29. [x] Organisation for Economic Co-Operation and Development, Science and Technology Statistical Compendium, 2004. [xii] Organisation for Economic Co-Operation and Development, Science and Technology Statistical Compendium, 2004.
Mike Willoughby: Are you making the
thrusts. Temp regs finalized 2011. New hires, and new position Danilack. Focus on royalty
payment. Core intangibles. Describes ex-ante income method. Only two cases litigated in last
couple of years. Bureaucratic answers. Mentions copyrights for high tech. Struggling with
intangible property rights. Riskyness is in the equation. No herky-jerky canges to the tax law.

Williams:12] Jonathan Williams and Patrick Fleenor: Options for Reforming the U.S. Corporate Income
Tax; Fiscal Facts No.58, the Tax Foundation, 8 May 2006. The 2005 Bush BAT plan. Problem of
retained earnings.

Willis:09‡ Andrew Willis: Commission finance experts the same bankers that caused the crisis;

Germnay, singapore, US-UK, US-Japan [VIC Chap5.3.4.1].

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 levy/ 1/3 gone.


[Wipfel:09] Hildegard Wipfel: International Taxes on Financial Transactions; KOO, Austria, The International Alliance of Catholic Development Agencies (CIDSE), Nov. 2009. Cites The UN General Assembly’s Commission of Experts on Reforms of the International Financial and 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%.


[Wittendorf:] 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.


[Wolf:05] Martin 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.


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


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.


WydenG:10 Wyden and Greg: Tax Reform: Exclude 2nd residences, home equity loans, and mortgages over $500,000. See [BowlesS:10] draft slides. Permanent tax credit eliminate domestic production, LIFO accounting, oil and gas, change depreciation. Territorial tax. Limits to foreign tax credits

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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.


