References for: Gio Wiederhold:

*Valuing Intellectual Capital, Multinationals and Taxhavens*

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 [xls/worksheet]. Shaded text is to be omitted in publication, but helpful for search or as an aide de memoire. I am ddding [chapter:section] references.

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Barbados, Maldives, Tonga, 33 will fix transparency.


Sect 801 deals with inversions. [VIC Ch.2.5] [VIC Ch.2.7]

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.

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.


The AGN European Region - 2008 Corporate Tax Survey, 2008 <http://www.agn-europe.org> Annual surveys of ominal and effective tax rates. [xls/taxrates] [VIC Ch9..4.2]

965(a)(1)”, 2004. Sect 801 deals with inversions. [VIC Ch.2.5] [VIC Ch.2.7]

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By comparison, the IRS conducted just 28,349 examinations of individuals who earned more than
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The author is with The Urban, The Tax Policy Center. Georgetown University.

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Congressman Gore provided intellectual leadership by helping create the vision of the potential of computer communications to have a broader impact than just improving the conduct of science and scholarship. 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. 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. 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. 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.
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.


[CFRB:12]‡ Committee for a Responsible Federal Budget: Raising Revenues from Higher Earners through Base Broadening; 15 Nov. 2012. Uses TPC data. New rates anove 250K income. Dividends at 20% from 15% raises $1B/y, $7B/10y, at 39.6% versus 20% raises $10B/y, $104B/10y. Cap gains 15% to 20% raises $7B, $57B/10y. Versus cap deduction to $25K progressive to $500K = $57B, 91

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propose remedial measures from time to time”; , “t is our duty to close these loopholes as far as
possible before they are so widely resorted to as to injure the revenue”;
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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.


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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.


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Wealthy Guy; The New DASB report IP.

Article 4. Income from shares or similar interests shall be taxable in the State in which the real centre of management of the undertaking is situated.
Article 5. Income from any industrial, commercial or agricultural undertaking and from any other trades or professions shall be taxable in the State in which the persons controlling the undertaking or engaged in the trade or profession possess permanent establishments... The real centres of management, affiliated companies, branches, factories, agencies, warehouses, offices, depots, shall be regarded as permanent establishments. Should the undertaking possess permanent establishments in both Contracting States, each of the two States shall tax the portion of the income produced in its territory. The fact that an undertaking has business dealings with a foreign country through a bona fide agent of independent status (broker, commission agent, etc.), shall not be held to mean that the undertaking in question has a permanent establishment in that country. Should the undertaking possess permanent establishments in both Contracting States, each of the two States shall tax the portion of the income produced in its territory. Article 7. Salaries, wages or other remuneration of any kind shall be taxable in the State in which the recipients carry on their employment. Salaries of officials and public employees who are serving abroad shall, however, be taxable in the State which pays these salaries.


The successful public offering of Michael Kors Holdings offers a case study on how globalization increasingly allows companies to avoid taxes and regulation in the United States. [PMorgan Chase estimates that American multinationals have $1.375 trillion in cash sitting overseas. [ACM]


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


[DevereuxGK:03]‡ 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.

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


19.8% Japan 36%, Canada 25.7% US 34.98, India 29.5% Germany 27% UK 26.3%. Still based on reported taxable earnings.


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


<http://www.nrc.nl/economie/article1855259.ece/Multinationals_betalen_vrijwel_geen_belasting>, <not a great reference>

[Doj-TD:11]‡ Tax Division: About Us; US Government, Department of Justice, 2011.

<http://www.justice.gov/tax/about_us.htm_tax division>, 350 attorneys. Vacant leadership. codified at 28 C.F.R. § 0.70. On June 10, 1933, President Franklin D. Roosevelt issued an executive order consolidating within the Department of Justice the control of all federal tax litigation.


[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, 49pp. pass through capital gains are highly sensitive to persistent tax changes, not mutual funds.


[Drucker:73]‡ Peter Drucker: *The Practice of Management*; 1973. There is only one valid definition of a business purpose: to create a customer.


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


When the taxpayer elects to have the sub make a lump-sum payment, we observe that the taxpayer has an incentive to overstate its projections of the sub's post buy-in sales. In contrast, when the taxpayer elects to have the sub make a lump-sum payment, we observe that the taxpayer has an incentive to understate the sub's post buy-in sales.

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

The Economist: Unsettling Wall Street; The Economist, 11 July 2011. Fig in references

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


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


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

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


The Economist: A Useful Trim; Economist, 25 Feb. 2012. Obama’s tax plan and corporate tax rates. 35-> 28, with state taxes 39.6 -> 32.6% cost $700B over 10 years, permanent R&D credit $250B over 10 years. Keep domestic credit. In the end the total effect is 26->25% tax rate.

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

[Economist:13] Economist: Tax havens, The missing $20 trillion, How to stop companies and people dodging tax, in Delaware as well as Grand Caymans; Economist special report, 16 Feb 2013. Ten articles: Storm survivors; Enduring charms; The good, the bad and the Ugland; Not a palm tree in sight; Automatic response; The price isn’t right; The merry enablers; Rise of the midshores; Who’s the criminal?; Sunshine and shadows. Excellent bibliography.

[Economist:13C] Economist: After the personal computer; The Economist, 6 Jul. 2013, pp. 60-61. Useful quantitative data about the PC industry, Taiwan, China, and the move to mobile.


[EikelenboomDG:11] Siem Eikelenboom and Gaby de Groot: “Nederland in Trek bij Multinationals”; Het Financieele Dagblad, 12 Sep 2011; and subsequent articles. Gains are Euro 1.5Mrd in 2007 according to DNB. Multiple stories. 28 sep 2011 Shell has 523 subsidiaries. Extractive industry transparency initiative. EITI [xls/taxhavens]


[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
[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.


[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.


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


[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 for indefinitely reinvested. Indefinite reinvestment APB 23 temporary outside basis differences, has an exceptions. Section 956.


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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, [Chap 3] [Martin:11, 620]. Used to match intangibles to market cap, what is included?


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


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


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.


[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.commercemagnj.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 businesses by 8% or $27B annually. 77% are organized as S-corps, LLCs, LLPs, or Sole Proprietor ships.


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


[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. gao 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


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.


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 credit (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 jurisdictions. 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 15T (2007) “The IRS is still challenged by a lack of information reporting on many cross-border transactions. In addition, the varying legal requirements imposed by different jurisdictions result in complex business structures that make it difficult to determine the full scope and effect of cross-border transactions.”, “The IRS expects that these efforts will improve international tax compliance by allowing it to focus on high-risk issues and cases with greater consistency and efficiency.”, “Taxpayers with undisclosed foreign accounts and assets who do not submit a voluntary disclosure run the risk of detection by the IRS. If caught, these taxpayers face the imposition of substantial penalties, including the fraud and foreign information return penalties, as well as an increased risk of criminal prosecution. “, “According to the IRS Commissioner, “FATCA is an important development in U.S. efforts to combat offshore noncompliance. At the same time, the IRS recognizes that implementing FATCA is a major undertaking for financial institutions.”[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.”


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.


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

Paul Gigot?: Obama’s Dividend Assault; WSJ editorial, 22 Feb. 2012. Diatribe. 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.


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


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


Howard Gleckman: Sealing off the Bermuda Triangle?; Business Week, 1 July 2002. Corporate Tax Shelters Includes example of Inversion by Tyco, using ADT, and transfer pricing. Chap 10.


Howard Gleckman: Rick Santorum’s Tax Plan Would Blow A Huge Hole In The Budget; Forbes, 3 July 2012.

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


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
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]‡ <Chap.9>


Dorothy Graham: "Testing"; in [Marciniak:94]

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.


Rachel Griffith and Alexander Klemm: "What has been the tax competition experience of the past 20 years?"; Institute for Fiscal Studies, IFS working paper W04/05, 2004.
The intangibles being not reducible to statistics, the food of all bureaucracy, count for nothing", Here And Now, 30 Oct 1949.

Richard Haass: Foreign Policy Begins at Home; Basic Books, 2013. Cannot separate domestic and foreign policy in modern economics. Coops are as big as middle-sized countries. have.

Jacob S. Hacker and Nate Loewenheil: Prosperity Economics, Building an Economy for all; Yale University, 2012. Myths. Worker productivity vs compensation. Effective tax rate low (p.59), Deferral. Low receipts. Stock option graph p.63


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

Tobias Stanislas Haller, BSG: Saint Matthew the Accountant Tenders His Account, 5° x 7" (oil) Tobias Stanislas Haller, BSG (brothers of Saint Gregory) 2009.
Matthew appears in the Gospels as a tax collector for the Roman government in the city of Capernaum.


[Journals: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.


[Hanlon:11] 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.


[Hanson:11] 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


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

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Steve Hargreaves: “Big Oil’s $4 billion tax break is in doubt”; CNNMoney, 29 April 2011.
Affects tax credits. Eliminating corporate taxation. No offshore issues directly, but implied in eliminating corporate taxation. Affects tax credits.

Fair, Simple, Pro-Growth Reform; Carolina Business Coalition and the Tax Foundation, Jan. 2013.

Forbes, 16 Apr. 2012. List of 25 companies, and their effective tax rate based on total revenues. LILO and Oil exemptions should remain. (File: [Sheppard:120].)


James R Hines, jr.: Corporate Taxation and International Competition?; Ross School of Business paper 1026, Univ. of Michigan, July 2005. <http://ssrn.com/abstract=891233>. Many imbalances Average statutory corporate income tax rates fell from 46% in 1982 to 33% in 1999, though tax bases simultaneously broadened, as a result of which average corporate tax collections actually rose from 2.1% of GDP in 1982 to 2.4% of GDP in 1999. The first is the experience of American multinational firms, whose average effective foreign tax rates fell from 43% in 1982 to 26% in 1999.


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


James R Hines, jr.: Corporate Taxation and International Competition?; Ross School of Business paper 1026, Univ. of Michigan, July 2005. <http://ssrn.com/abstract=891233>. Many imbalances Average statutory corporate income tax rates fell from 46% in 1982 to 33% in 1999, though tax bases simultaneously broadened, as a result of which average corporate tax collections actually rose from 2.1% of GDP in 1982 to 2.4% of GDP in 1999. The first is the experience of American multinational firms, whose average effective foreign tax rates fell from 43% in 1982 to 26% in 1999.


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


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

50% of world trade goes via taxhavens. Many references.

Adrian Hoppel: Law and defense: Rand Paul Comes to the defense of Apple; MacLife, 22 May 2013.

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.


**[HP:08]** HP-1060, Statement For the Record of the Senate Committee on Finance Hearing on International Tax Reform (June 26, 2008).


Susan N. Houseman and Kenneth R Ryder, jr (eds.): Measurement Issues Arising from the Growth in Globalization; Conference papers, National Academy of Public Administration, 6 Nov, 2009, 16 papers, 422 pp.


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


[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 Rights 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.4ttt, Public Law lll, 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.4ttt, Public Law lll, 1985. The main law for transfer pricing, only one paragraph, the rest is defined by regulations [IRRegs-482].


[IRC-904:85] Dept. of the Treasury: USC Title 26, §904: Limitation on credit; based on The yyyy Act of 1984; US House of Representatives H.R.4ttt, Public Law lll,


IRS-IRM:12 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-TAM:09] IRS: Whether a network used in a business is intangible property, foreign goodwill, or going concern value per §936(h)(3)(B); TAM # 20090724, 10 Nov. 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-TS:06] IRS: Final report on Treatment of Services under Section 482-9T; August 2006, 189pp. CostPlusMethod ,


[IRSregs367:84] Internal Revenue Service: Regulations on Transfer to Foreign Corporations subject to section 367(a); Title 26 Chap.I Subchap.A Part 1 §1.367, effective Dec. 1984. See [Rostenkowski:84]

[IRSregs367:99] Internal Revenue Service: Regulations on Transfer to Foreign Corporations.1 Subchap.A Part 1 §1.367(d)-IT(c)(1), Use CFR `1-482 principles to define intangible transfers. effective Dec. 1984. See [Rostenkowski:84]


[IRSregs482-7(c):96] T.D. 8670; 18 Sep.1996 Revision of Section 482 Cost Sharing Regulations. These regulations eliminate the active conduct rule of _1.482-7(c) as a requirement for qualification as a controlled participant in a qualified cost sharing arrangement. Section 1.482-7(c)(1) of these regulations substitutes a general rule that a controlled taxpayer may be a controlled participant in a cost sharing arrangement only if it reasonably anticipates that it will derive benefits from the use of covered intangibles. In addition, _1.482-7(f)(3)(ii) provides that if a controlled participant transfers covered intangibles to another controlled taxpayer, the participant's benefits will be measured with reference to the transferee's benefits rather than with reference to any consideration paid by the transferee. (This gives rise to results similar to those under the subgroup rules of the proposed regulations by different mechanics.) Finally, _1.482-7(f)(3)(ii) continues to provide that the amount of benefits that each of the controlled participants is reasonably anticipated to derive from covered intangibles must be measured on a basis that is consistent for all such participants.


[IRSregs936-6b: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


April 2010. Data specific for multinational corporations and their affiliates, outsourcing, productivity, employment over time, intrafirm trade, sales, R&D. [xls/pointers]


[Jayson:10] Seth Jayson: Here’s How Flextronics International May be Failing You; The Motley Fool, 30 Nov 2010. [xls/forest


[JCT:08]‡ 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” quted by Hungerford:11‡


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


[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>>

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].


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.


Jeremy Kahn: Malta Lures Hedge Funds with 30 Days of Sunshine; Bloomberg Markets Magazine, 10 Jan 2012. As of early November, the number of funds located in Malta had grown to more than 500 with 8 billion euros ($10.7 billion) under management from 165 funds with less.
than 5 billion euros under management in 2006, according to the Malta Financial Services Authority (MFSA). [VIC Ch6.3.1]


[Kampas:03]‡ Paul J. Kampas: “Shifting Cultural Gears in Technology-Driven Industries” MIT Sloan management review, 15 Jan 2003, also a chapter in Edgar Schein, et al., DEC is Dead, Long Live DEC”; technology-driven companies need to shift from a product-innovation culture to a process-innovation culture as their markets mature. [VIC Ch3.5]


First Amendment free speech protections for government employees. The plaintiff in the case was a district attorney who claimed that he had been passed up for a promotion for criticizing the legitimacy of a warrant. The Court ruled, in a 5-4 decision, that because his statements were made pursuant to his position as a public employee, rather than as a private citizen, his speech had no First Amendment protection.


Introduction to related articles in the issue. Closing Article by William Wulf: “A Disturbing Mosaic”.

Only a very small fraction of small businesses innovate and grow. Based on [HurstP:11]

For more than 100 years the principle of strict book-tax conformity (or the authoritative principle, or Maßgeblichkeitsprinzip) ("§ 5 exp. 1 P. 2 EStG ") was the most striking feature of German tax accounting. In fact, since the enactment of the German Commercial Code (Handelsgesetzbuch, or HGB) on Jan.1, 1900, this principle was a pillar that survived all storms of reforms until the last reform, the Accounting Modernization Act (Bilanzmodernisierungsgesetz) went into force on May 29, 2009.


On Kindle

In 1932 there is n-employment in the US that is not due to overpriced labor versus its contribution to making products. Growth requires having demand for ones products. Capital investments do not guarantee that. Have on Amazon Kindle


Bipartisanship lives! And it will likely cost taxpayers money; Ezra Klein’s blog, Washington Post, 5 Oct 2011.


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


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


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>


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


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


[Krugman:12] Paul Krugman: *End The Depression Now!*; W.W. Norton, 2012. At EPI. (VIC Ch.10)


[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 flagsip's core competencies" (p. 91). This is a useful insight consistent with a growing number of empirical studies of international collaborations in high-technology industries. My only complaint is that it overly emphasizes the continued dominance of global firms like IBM, Microsoft, and Intel at the expense of analysis of new corporate challengers like Samsung in Korea or Acer in Taiwan or Lenovo and Haier in China. The long-term consequences of short-term strategies of knowledge diffusion need also to be considered.


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


Customer acquisition (p.67). Workforce (p.73-76). Write off of acquired R&D, but capitalization of software after the point of technical feasibility (p.85-95). Have.


Marc M. Levey, Steven C. Wrappe, and Kerwin Chung: Transfer Pricing Rules and Compliance Handbook; CCH, Wolters Kluwer, 2006, 224pp. “Given the potential for transfer pricing decisions to globally impact tax, financial and operational results, it is unfortunate that relatively few persons at multi-national corporations [MNEs] possess significant experience with transfer pricing issues” [p.1]. "‘Absent transfer pricing rules MNEs could intentionally or unintentionally use transfer pricing to shift large amounts of income from one tax jurisdiction to another… that benefit could be used to reduce the MNE’s overall tax rate” [p.2]. Shifting tax avoidance example as M&C [p.3]. ‘Double taxation’ computation <looks fair> [p.4]. “Tax payers may report arms-length results on [a] income tax return that are different than the results reported on their books” [p.5]. “‘Commensurate with income’ … for intangibles” [p.6]. IRS cannot dictate business 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 [p90]. Comteporaneous 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 [p134]. 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.


[LevS:96] Baruch Lev and Theodore Sougiannis: "The Capitalization. Amortization, and Value-Relevance of R&D"; *Journal of Accounting and Economics*, 1996, pp.107-128. [in /guidance/references/LevSougianis.pdf]. 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 deferral of certain development expenditures. The International Accounting Standard, IAS 9, is generally in line with the Canadian standard with respect to R&D capitalization.


Analyses that track incomes.


Robert E. Litan: Startup Businesses Key to Job Growth; @ Brookings Podcast #138, 18 Nov 2011. Startups, not small businesses in general. Look at age.


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.

Lloyd George and Rollin Sullivan: I'm my own Grandpa; song written by Dwight Latham and Moe Jaffe, 1947.

Stephen R. Looney: Effects of Tax Rate Changes After Extension to Bush Tax Cuts ends; Dean Measd, Summer 2011. Focus on S-corps and LLCs.

Adam Looney: Supporting Broad-Based Economic Growth and Fiscal Responsibility Through Tax Reform; Brookinks Inst, Senate testimony, 22 MMay 2013..

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,


Lucy Madison: Bachmann ‘open’ to eliminating corporate taxes; CBS News, 4 Sep 2011.


Ray Madoff: Two Tricks to Raising Capital-Gains Taxes Fairly; The National Memo, 16 Feb 2012. the lower rates cost the government a significant amount of revenue. In 2008, if capital gains had been taxed at 35 percent instead of 15 percent, the federal treasury would have received an additional $100 billion. (Capital gains were unusually low that year; in 2007, the increase would have been closer to $200 billion.) In the next five years, the capital-gains preference will cost the government more than $450 billion, according to estimates from Congress’s Joint Committee on Taxation. ... the special capital-gains rate makes it difficult to simplify the tax code. Much of its complexity is due to the myriad rules that are meant to ensure that income is properly categorized as ordinary income or capital gains. Eliminate the rate differential, and the tax code could become far less complex. Fix for gains due to inflation (mainly real estate) up to death.
Thus, if a taxpayer invested $100,000 in Apple Inc. in 2006 and died in 2012 when the stock was worth $1 million, that $900,000 profit is never subject to tax. The decedent is not taxed because he didn’t sell the stock, and the heirs are not taxed because they are treated as if they had purchased it for $1 million. Even at 15 percent capital-gains rates, this angel of death loophole costs the federal government about $60 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


[Mankiw:12] H. Gregory Mankiw: A better Tax System (Instructions Included); The New York Times, Economic View, 22 Jan.2012. 4 principles: Broaden the base and lower the rates (no mortgage deduction); Tax Consumption rather than income; (IRAs do); Tax ‘Bads’ rather than goods (tax gas at $2); Keep it simple (avoid loopholes as: electric car deduction used for golf carts).
Net, hedge funds create no value for society. They have huge incentives to promote 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. (Chap.9)


[MarkleS09] Kevin S. Markle and Douglas A. Shakelford: Do Multinationals or Domestic Firms Face higher Effective Tax Rates; University of North Carolina Univ., June 2009. Many details on effective tax rates. US 28%. Sweden and Taiwan Southafrica 25%  18% France 23% Including taxhaven effects, local and for multinationals. Consistent with U.S. multinationals’ exploiting their ability to report profits in locations with more favorable tax systems than the U.S., the foreign affiliates of American companies reported more of their aggregate net income in the Netherlands (13%), Luxembourg (8%), and Bermuda (8%) than any country in 2006 (<http://www.bea.gov/international/di1usdop.htm>). 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. (Chap.9)


[Martin05] Patrick W. Martin: “Oops – The Accidental Inversion”; Procopio, 24 Apr.2005. “The Service will undoubtedly be frustrated in its efforts to enforce the U.S. tax law vis-a-vis the foreign parent corporations in foreign jurisdictions (especially in those countries without any U.S. income tax treaty) when there is no nexus to the U.S. other than the U.S. shareholdings of foreign parent corporation.”


[Martin11] 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.


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


Michael Mazarov: ‘Digital Goods and Services Fairness Act’ Would Impair Funding for Education, Health care, and Other Stte and Local Services; Center for Budget and Policy Priorities. 29 May 2012.

S Mazza: The Interplay Between Norms and Enforcement in Tax Compliance ...; ssrn.com/sol3/papers.cfm?abstract_id=391133. A number of scholars have suggested that vigorous enforcement of the tax laws may be counterproductive because it may suggest that ... (Chap.8)


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”.

William McBride: "Beyond the Headlines: What Do Corporations Pay in Income Tax?"; Tax Foundation Special Report No.194, Sep.2011. Foreign taxes explain most of the difference beween statutory and effective tax rates. In 2008 the 1,937 largest cos paid 68% of corp tax revenues. If taxes on foreign income are included the effective rate becomes 32.1 to 32%. Not used.

William McBride: "New Zealand’s experience with Territorial Taxation"; Tax Foundation, 19 Jun. 2013. see [GAO:13], flaws indicated, but no fix


Cynthia Kopkowski McCabe: Education Funding, Follow theMoney; 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 multifaceted analysis of tax evasion in cultural and institutional context, and, more generally, a study in ethical dilemmas and rational decision making.


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


[Michael:13] Gabriel J. Michael: Anarchy and Property Rights in the Virtual World: How Disruptive Technologies Undermine the State and Ensure that the Virtual World Remains a 'Wild West'; SSRN 2233374, 1 Mar.2013. Focus on entertainment IP, impossibility to enforce regulations. [VIC Ch.3.1]


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

[NadiriP: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.XXIV, 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 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


National Center for Policy Analysis: The Benefits of a Flatter, Fairer Tax System; NCPA, 7 Dec 2007. Success of the Hong Kong economy under a flat tax system.
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
Anete Nellen: Tax Reform Information; March 2011; <http://www.cob.sjsu.edu/nellen_a/taxrefupd.html>
Floyd Norris: "Deep roots of the scandal at Olympus"; Wall Street Journal, 9 Dec 2011, p.22. A good explanation


[Mark A. Oates and James O’Brien: “For Settlement Purposes Only”; Transfer Pricing, Taxation of Global Transaction, CCH Wolters, Summer 2003, pp.31-34. Taxpayers should settle if favorable terms can be negotiated. Settlement analyses are less precise. Information from failed settlements or APAs is not admissible evidence at a trial]


[Mark A. Oates and James O’Brien: “Lux et Veritas: IRS’s Actions Speak Louder Than its Words”; Transfer Pricing, International Tax Journal, CCH Wolters, Jan.2011. Veritas case. “Judge Foley rejected the IRS theories, ruled the IRS original and trial positions to be arbitrary, capricious and unreasonable, and accepted the taxpayer’s comparables-based theory of the case with minor modifications.” “In order to win a Code Sec. 482 case, a taxpayer must show that the IRS’s position in the notice of deficiency was arbitrary, capricious or unreasonable.” “having lost badly, the IRS’s angst and anger over the decision is understandable.” “To be absolutely clear, the IRS in the AOD is saying that, given the facts found by Judge Foley, the IRS too would have ruled for the taxpayer in VERITAS.” “Dr. John Hatch was the principal expert advanced by the IRS at the trial in VERITAS. The original notice of deficiency sported an amount 50 percent higher ($2.5 billion buy-in value) than the IRS trial position based on Hatch’s analysis and opinion ($1.675 billion buy-in value). The prior notice of deficiency buy-in value was based on the analysis and opinion of Dr. Brian Becker. Prior to trial, the IRS abandoned Becker’s opinion, and, at trial, “without meaningful explanation, conceded $825 million of the [Becker] buy-in amount” and “failed to offer even a token defense in response to petitioner’s critique of Becker’s conclusions.” Not surprisingly, Judge Foley found the IRS notice position based on Becker to be arbitrary, capricious or unreasonable.” “In addition, respondent inflated the determination by valuing short-lived intangibles as if they have a perpetual useful life and taking into account income relating to future products created pursuant to the [cost sharing agreement].” “hinges primarily on the testimony of Hatch. Put bluntly, his testimony was unsupported, unreliable, and thoroughly unconvincing. Indeed, the credible elements of his testimony were the numerous concessions and capitulations.” “Hatch further agreed that his discount rate used to value VERITAS’s earnings into perpetuity, to a reasonable degree of economic certainty, could not possibly be correct.” “Based on the failure to appeal VERITAS, the authors believe that Appeals will continue to assign very high hazards to the IRS in litigation of the buy-in issues and thus to continue to settle these cases on terms highly favorable to taxpayers.”]


[Barack Obama 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.]
needs more. If services are provided by an Independent Service Provider (ISP) the conclusion would be similar (p.4). If there is personnel and X assumes sufficient development risk to be considered an economic permanent establishment in X. An ISP is not an agent. Have.


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


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


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

Hiroyuki Odagiri, Akira Goto, Atsushi Sunami, and Richard R. Nelson. (eds.): Intellectual Property Rights, Development, and Catch Up: An International Comparative Study; Oxford University Press, 2010. At Abe books 45+8.91. And Amazons $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 TAG: Attribution of Profit to a Permanent Establishment Involved in Electronic Commerce Transactions; Technical Advisory Group on Monitoring the Application of Existing Treaty Norms for the Taxation of Business Profits, Draft Report for Discussion, Feb.2001, 34pp. = Example. Focuses on e-tailing (p.5). In most condition under arms-length principles having a server in X leaves all substantial assets and risks with the head office (p.4). If services are provided by an Independent Service Provider (ISP) the conclusion would be similar (p.4. 19-). If there is personnel and X assumes sufficient development risk to be considered an economic
owner, then commensurate profits are to be attributed to X (p.21,28). Comparables (p.23), Problems (p.27) <have>


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


85


[Ordonez:13] Patricia Ordoñez de Pablos (University of Oviedo, Spain), Robert D. Tennyson (University of Minnesota, USA) and Jingyuan Zhao (University of Québec at Montréal, Canada): Intellectual Capital Strategy Management For Knowledge-Based Organizations; To be published by IGI Global http://bit.ly/w7eTgZ


[Owens:07] Jeffrey Owens Hearing on Offshore Tax Evasion: Stashing Cash Overseas; S. Finance Comm. on Offshore Tax Evasion, 110th Cong. 5, 2007, available at http://www.ceff.univ-cezanne.fr/documents/owen.doc>. Jeffrey Owens, Director; OECD Center for Tax Policy and Administration; Our research reveals that only four OECD countries (Mexico, Sweden, the United Kingdom and the United States) regularly publish estimates of the tax gap... One reason 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.


[Palda: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.


Ron Paul: Plan to Restore America; Randal A. Lewis, and David H. Reiley, "Display Advertising Impact: Search Lift and Social Influence"; Proceedings of the 17th ACM SIGKDD Conference on Knowledge Discovery and Data Mining [KDD ‘11], 2011 pp.1019–1027. Read the abstract. Download the manuscript.

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


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


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


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

Steven Pearlstein: Charlie Rose Interview: Facebook, jobs; at 40 min, Audio Books, Audible.com, 10 Jan 2011. Have

Steven Pearlstein: “Marty Sullivan figured out how the world’s biggest companies avoided billions in taxes. Here’s how he wants to sop thwm”; Wonkblog, Washington Post, 26 Oct. 2013. [ACM].

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

Michael Peel: Tax Havens: In a sea of trouble; Financial Times, 12 Jan.2011. On BOTs


Louis Philips: The Economics of Imperfect Information; Cambridge Univ. Press, 1989. Predatory pricing and Foregone profits pp212-242 for a monopoly versus a prey..


J.J. Pickle: Tax Underpayments by U.S. Subsidiaries of Foreign Companies; Hearings before the Oversight Committee of the House Committee on Ways and Means, 102 Congr, 2nd session, 1992. “The IRS was simply outgunned and out manned”


David Pimentel and Mario Giampietro: Food, Land, Population and the U.S. Economy; Nov.21, 1994. Carrying Capacity Network, in [Hanson:11], dieoff, resource depletion


Karl Polanyi: The Great Transformation; Boston: Beacon press, 1944. unfettered free trade is fundamentally incompatible with social order and stability. On Kindle
based methods. Life computations based on experience, as customer retention.

It generally tends not to work frequently to serve professional practices, and some types of publishing operations. It generally tends not to work

Portofo

and slowing productivity improvement

such as advertising agencies, insurance agencies, mortuaries, and environmental impact. Such ‘help’ actually retards competitiveness by stunting innovation and slowing productivity improvement


Eduardo Porter: “Loopholes to Some, Lifelines to Others”; NYT, 11 dec.2012. Clinton invented with the $40 billion worth of Higher Education Support over five years, tucked into the 1997 Taxpayer Relief Act. the use of tax deductions to support education.

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.

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]..

Andrew Quinlan, President of the Center, remarked, all legislation to restrict the freedom of companies to locate in jurisdictions that have more attractive tax and regulatory environments.

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

RRRRRR


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


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


Robert F. Reilly, and Robert P. Schweih: Valuing Intangible Assets; Irwin Library of Investment and Finance; McGraw-Hill, 1998. Have copy of Chapter 1, p.3:29: Identification Defines IP p.20-22; and Chapter 19, p 363-380: Data Processing Intangible Assets, Special Consideration on Software Valuation, Cocomo 1981”.The Discounted cash Flow method is typically used in the valuation of data-processing intangibles when there is an identifiable income stream associated with the intangible asset. Therefore, this method is usually used in the valuation of product software or databases that generate income through their sale or license”. "...the economic life of software is an entirely different issue [from the life for income tax depreciation or amortization]. The analyst should consider a number of factors, including: o the age of the software and maintenance or enhancement practices". The market for the software. " [p.370]. "... 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.[?]


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 procibnnfg, 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 Löpfe, for one, champions such a reform. With abolition, he says, the cantons will stop competing with one another. Instead, the competition will become Switzerland versus the world. Swiss author Philipp Löpfe, for one, champions such a reform. With abolition, he says, the cantons will stop competing with one another. Instead, the competition will become Switzerland versus the world.’


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";


[Romano11] 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”.


includes USC Title 26 §367: Foreign Corporation, Dec. 1984., used USC 936 (h)(3)(B) for the definition of intangible property.


[RoyaltyStat:10] database of royalty agreements with rates or fees and conditions. $4,500/year for 100 downloads. <http://www.royaltystat.com/royaltystat.cfm>


Senator Carl Levin, a Michigan Democrat, is backing the campaign, officially called Business and Investors Against Tax Abuse and to be launched today.

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


[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.”


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


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%.
The SEC's budget in 1994 was $260 million, less than one-third of what it is today ($906 million). U.S. mutual fund assets, which totaled $2 trillion in 1994, have grown to nearly $10 trillion today. = .01%

The size of the underground economy, drug illegal labor, and porn is over $1T.

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

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).


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..


Vishal Shah and Smit Sheth: Getting a handle on the Mauritius Tax Treaty; Reuters, 11 July 2011


Expected Rate of Return on Equity Capital  \( RREC = \text{RiskFreeRate} + \beta \times (\text{BroadStockPortfolioReturn} - \text{RiskFreeRate}) \).

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  \( RREC = 12.68 \). Per PWC a small company premium, to be added for startups is 4.4% giving 17%. Without the small-business correction the beta would be 2.174 versus the broad portfolio, less for better matching portfolio.


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

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

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 retron was 3,300 pages. Nom specific detail, clean slate wanted.


[Shay:12] Stephen E. Shay: Testimony to Congress; Permanent Subcommittee on Investigations, U.S. Congress, 20 Sep.2012. Harvard Law School, Retained income 8% of corporate income is deferred. Data on Ireland MS consol 69.9B 17.5% tax 90,000 emplu, offshore 55.5% earnings $15B – 4% tax, 1900 employees. $8M/employer vs 312 for Ms employees overall. Not consistent with common sense understanding. Offshore is a firewall only. 2009 guidance to subsidiary – should be independent subsidiaries, seems to be ignored. Staes effective US rate is 27%. Multiple layers of valuation issues. Only successful IP gets transferred. Accounting does not match tax and intangible value. Anti-abuse rules (956) arr drafted to narrowly, and their intent can be easily subverted. “Prior to my current position, I was the Deputy Assistant Secretary for International Tax Affairs at the Department of the Treasury. Before my most recent government service, I was a tax partner at Ropes & Gray LLP for 22 years specializing in U.S. international income taxation before retiring to serve in government in 2009. I have provided a copy of my biography to the Subcommittee. I occasionally consult for Ropes & Gray LLP on mutually agreed projects. I first served in the U.S. Treasury Department’s Office of Tax Policy from 1982 to 1987. I was actively involved in the development through 1984 of the Reagan Administration’s international tax reform proposals and the legislative consideration of the proposals through signing of the legislation on October 22, 1986. The process took almost three years in total”.


[SheppardS:08] Lee A. Sheppard and Martin A. Sullivan: “Repatriation Aid for the Financial Crisis?”; Tax Notes, 5 Jan.2008. Profit multinationals keep offshore with the intention of maximizing tax advantages; between 2003 and 2007, the annual increase in this measure doubled, from $60 billion to $122 billion.


Sherer:65] application to issue lag 3.5 years. For patents


[Shropshire:09] Philip Shropshire: A Combination of Legislative Actions and Increased IRS Capability and Capacity are Required to Reduce the Multi-Billion U.S. International Tax Gap; Treasury Inspector General for Tax Administration (TIGTA), 2009-IE-R001, 27 Jan.2009. Evasion, IRS needs more resources. Losses due to tax havens are $30B to $70B. [xls/GNP&GDP]

[Shulman:08] Douglas H. Shulman: Written Testimony of Douglas Shulman, Commissioner of Internal Revenue, before the Senate Committee on Homeland Security and Governmental Affairs’

[Shulman:11] Douglas H. Shulman: Revenue


FATCA provides IRS with the tools we need to crack down on Americans hiding assets overseas. First, it increases information reporting by U.S. taxpayers holding financial assets outside the United States and imposes stiff penalties for failure to comply. It expands due diligence standards, so that we have a better line of sight to U.S. beneficial owners of accounts. It also ramps up the stakes for foreign financial institutions that will have to agree to disclose U.S. investors to the IRS or feel the pain of a substantial new withholding tax on U.S. income and gains. The mere enactment of FATCA should prompt preparers and advisors to expand their due diligence regarding offshore account issues, including, but not limited to income tax reporting. Overall, FATCA makes the world a much riskier place for US taxpayers still trying to hide their money anywhere around the world.

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


[Simmons:38]‡ Henry Simmons. Classic work on individual income tax.


[Slemrod:95] 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 waerth? 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%).


[SlemrodS:93] [xls/irs]‡

Intellectual assets, and intellectual capital is said to be a combination of human capital, 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".


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>.


Smith: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 to15 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.


[SolutionMatrix:07] Ltd, Boston, MA 2007. <http://www.solutionmatrix.com>, “Economic Life: The period of actual usefulness of an asset. Economic life refers to the period beyond which it is cheaper to replace or scrap an asset than to continue maintaining it. Not to be confused with depreciable life”.


[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.


[Stahl:11] Leslie Stahl: A look at the world’s new corporate tax havens; CBS News, 60 minutes, 25 March 2011; The new tax havens; CBSNewsOnline. 14 Aug, 2011 http://www.youtube.com/watch?v=MxgezC4KhXQ. Chambers: Cisco has 30B. 1.3T. “We can't write a law their lawyers can't get around. That's the whole problem here”; [Congressman] Doggett explained. "You're in Congress. Why did Congress write these laws that allowed this to
happen?" Stahl asked. "There’s been a lot of arm twisting, a lot of effective lobbying here, and some really smart tax lawyers figuring out how to game the system with one shenanigan after the other"; the congressman replied. "But are they shenanigans or is it the law?" Stahl asked. "I think it was a shenanigan when some of these companies felt so strongly about America that they renounced their American citizenship and began saluting a foreign flag. They exploited a provision in our tax laws and moved offshore"; Doggett said. Read more: <http://www.cbsnews.com/stories/2011/03/25/60minutes/main20046867.shtml>#ixzz1HumZMSG8> [xls/taxrates]

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


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


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

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


[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.


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


pre IPO valuation by early shareholder sales. Replaced by [Protalinski:12]†


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


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


Martin A. Sullivan: Multinationals and Jobs ; Tax Notes, 8 Feb.2010. From 1999 to 2007, U.S. multinationals eliminated 1 million jobs at home while adding 2.5 million jobs abroad. Cited by [Pelosi:10]‡ .[ACM].


more opportunity to shift taxes out of the country. Incentives do more for low margin tangibles – based industry than for high tech [1066]. [xls/taxexpenditures] ..[ACM].


[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:01] 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.Sep00.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.


[Tang:93] Roger Tang: Transfer Pricing in the 1990’s: Tax and Management Perspectives”; Quorum, 1993. A GAO survey of 519 multinationals in 1980/1981 revealed that 60.1% of IRS adjustments (as measured as a percent of total dollar adjustments), represented pricing adjustments. In terms of dollar volumes, pricing adjustments were followed by adjustments to income allocation, expense allocation, intangibles, services, interest, rentals, and gain allocation.


[Tanzi:11] Vito Tanzi: Government versus Markets: the Changing Economic Role of the State; Cambridge University Press, May 2011. The author is a skeptic of a large paternalistic state and believes that the governments roles are to regulate markets and let private competition be the source of growth rather than governments fill the role of markets with failures. Given the externalities of many markets the author does not believe prices act as signals in many modern day industries and information asymmetries need to be fixed by the state. Government versus Markets is a good overview of a subject which will no doubt be a major topic of discussion in the coming decades. On the one hand, the welfare state seems to have become unsustainable and requires deep structural change to provide the populations that reside within them the opportunities that they deserve but at the same time small government reduces the voice of the community in an increasingly globalized world [Amazon reviews].
Much social redistributive spending is just churning. Transparency of subsidies is need for trust. Favors privatization to reduce governments share of GDPs.

A thorough comparison of the variety of metrics and Happiness; Yale Univ. Press, 2008.


Teplykh: Grigori Teplykh: Specificity of Corporate Value Creation in Different Types of Companies; National Research University Higher School of Economics, Perm, Russia, 5th European Conference on Intelectual Capital, Bilbao, Spain. April 2013.


Thiess: Rebecca Thiess: Republican Proposal to ‘right our fiscal ship’ throws more workers overboard; Economic Policy Institute, 9 Feb 2011.


Thiess: 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: Chantal Thomas: “Trade-Related Labor and Environment Rights Agreements”; in WTO and IP rights trade under TRIPS.

Thomas: Jerry W. Thomas: Advertising effectiveness; Decision Analyst, 2008. Focus on quality

Innovation fueled about four third of the value of all U.S. stocks, about $5 trillion to $5.5 trillion, or 45% of U.S. GDP.

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.

Replacement cost of tangible assets, and value lag. 15 years? .

Tobin and William Brainard: "Asset Markets and the Cost of Capital"; Chapter 11 in Blackberry, research in Motion patent, settled for $162M. Several patent facts.

Linus Torvalds and David Diamond: Just for Fun: The Story of an Accidental Revolutionary (Hraber Business Reprint, 2002) Includes observation on IP. [ACM].

John A. Townsend and Lawrence R. Jones, Jr.: DHL - A Strategy Lesson in Transfer Pricing Controversy; Townsend & Jones Newsletter, January 1999. arbitrary, capricious, or unreasonable


US Congress: The Tax Reform Act of 1996; section 8670;

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 - @1.53 , (in which large corps 2.284-1,610. Based on Rosotti sept 2002, IRS data books, 2001-2007.


Shamik Trivedi: “Danilack sees more exam efficiency with transfer pricing organizational changes”; Tax Notes Today, June 8, 2012


Mark Trumbull: Deficit super committee fails: Who’s to blame; Christian Science Monitor, 21 Nov.2011.


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’
use of the hypothetical condition results in a credible analysis; and
the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. “


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


Based on [AsprayMV:06].

As of Dec.1985 Morgan Guarantee estimated the net size of the Eurocurrency market at 1,668B, of which 1,251 would be Eurodollars.


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


VidanoT:07 Thomas A. Vidano and Carol B. Tan: Request for comments on Temp. Treas. Reg. § 1.482-9T(b)(4)(i) (Support services among taxpayers in a variety of industry Sectors); IRS, Office of Associate Chief Counsel (International), 2007. Markup 7%.


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


WWWWWW


[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 tax 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]


Third World Quarterly, Vol.30 no.7 2009, p.1259

1.9 percent to research and development, while industrialized nations spend around 2.3 percent. Europe as a whole dedicates less than the 4.3 percent of its national research and development as a percentage of GDP. This is less than the 4.3 percent figure for the Netherlands and Germany, but higher than the 28 percent in France (2.2 percent), Canada (1.9 percent), or England (1.9 percent). Europe as a whole dedicates 1.9 percent to research and development, while industrialized nations spend around 2.3 percent. 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. Michael Arndt: “Ben Franklin, Where Are You?” Business Week, Jan.4, 2010, p. 29. Organisation for Economic Co-Operation and Development, Science and Technology Statistical Compendium, 2004.

transfer pricing report 533, 10/2/02. Six valuation methods explained. Deals with small sales & royalties/(in guidance/references/Weissler, also CSA slides, also in WT MA-695.) Refers to [Morgan:99; Weissler:01; Weissler:02]


David Wessel: U.S. Firms Shift Hiring Abroad; Wall Street Journal, 19 April, 2011.


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 dedicates 1.9 percent to research and development, while industrialized nations spend around 2.3 percent. 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.


[Wicks:64]‡ [xls/irs]

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


[Willis:09]‡ Andrew Willis: Commission finance experts the same bankers that caused the crisis; EUobserver.com, 11 May 2009.


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


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%.


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.

Minaka Woermann: On the (Im)Possibility of Business Ethics; Springer Verlag, Issues in Business Ethics, No.37. 2013. Postmodern ethics cannot be objective.

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.

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.


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


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.

Wyden and Greg: tax reform: exclude 2nd residences, home equity loans, and mortgages over $500,000. See BowlesS10 draft slides. Permanent tax credit eliminate domestic production, LIFO accounting, oil and gas, change depreciation. Territorial tax.
An OFC is a country or jurisdiction that provides financial services to nonresidents on a scale that is incommensurate with the size and the financing of its domestic economy.