

Workshop on International Taxation Readings
June 22 – 26, 2009

Monday, June 22, 2009

Tax Norms

Capital Export Neutrality
Capital Import Neutrality
Capital Ownership Neutrality

*Mihir A. Desai and James R. Hines Jr., Evaluating international tax reform, *National Tax Journal*, September 2003, 56 (3), 487-502.

[http://ntj.tax.org/wwtax%5Cntjrec.nsf/2EB2AAE0DC69BA4685256DD30065A2FD/\\$FILE/A03.pdf](http://ntj.tax.org/wwtax%5Cntjrec.nsf/2EB2AAE0DC69BA4685256DD30065A2FD/$FILE/A03.pdf)

*Michael P. Devereux, Taxation of outbound direct investment: Economic principles and tax policy considerations, *Oxford Review of Economic Policy*, Winter 2008, 24 (4), 698-719.

<http://oxrep.oxfordjournals.org/cgi/reprint/24/4/698?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=devereux&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT>

*James R. Hines Jr., Reconsidering the taxation of foreign income, *Tax Law Review*, forthcoming.

http://taxprof.typepad.com/taxprof_blog/files/hines_reconsidering_nov_07.pdf

James R. Hines Jr., Foreign income and domestic deductions, *National Tax Journal*, September 2008, 61 (3), 461-475.

http://www.accessmylibrary.com/coms2/summary_0286-36023902_ITM

Tuesday, June 23, 2009

Behavioral Evidence

General Survey

*Michael P. Devereux, The Impact of Taxation on the Location of Capital, Firms and Profit: a Survey of Empirical Evidence, *Centre for Business Taxation Working Paper 07/02*, 2007.

<http://users.ox.ac.uk/~mast1732/RePEc/pdf/WP0702.pdf>

Investment Location

Michael P. Devereux and Rachel Griffith, Evaluating tax policy for location decisions, *International Tax and Public Finance*, March 2003, 10 (2), 107-126.

<http://www.springerlink.com/content/m6hr2347vr0l6500/fulltext.pdf>

James R. Hines Jr. and Eric M. Rice, Fiscal paradise: Foreign tax havens and American business, *Quarterly Journal of Economics*, February 1994, 109 (1), 149-182.

<http://www.nber.org/papers/w3477.pdf>

James R. Hines Jr., Altered states: Taxes and the location of foreign direct investment in America, *American Economic Review*, December 1996, 86 (5), 1076-1094.

<http://www.nber.org/papers/w4397>

Note: Asterisked readings are provided in this reader. Other readings are available upon request.

Updated: June 15, 2009

Rosanne Altshuler, Harry Grubert and T. Scott Newlon, Has U.S. investment abroad become more sensitive to tax rates? in James R. Hines Jr., ed., *International Taxation and Multinational Activity*, (Chicago: University of Chicago Press, 2001), 9-32.

<http://www.nber.org/chapters/c10718.pdf>

James R. Hines, Jr., "Tax sparing" and direct investment in developing countries, in James R. Hines Jr., ed. *International taxation and multinational activity* (Chicago: University of Chicago Press, 2001), 39-66.

<http://www.nber.org/chapters/c10719.pdf>

Salvador Barrios, Harry Huizinga, Luc Laeven and Gaëtan Nicodème. International Taxation and Multinational Firm Location Decisions, *Centre for Business Taxation Working Paper* 08/25, 2008.

<http://users.ox.ac.uk/~mast1732/RePEc/pdf/WP0825.pdf>

Profit Shifting

*Harry Huizinga and Luc Laeven, International profit shifting within multinationals: A multi-country perspective, *Journal of Public Economics*, June 2008, 92 (5-6), 1164-1182.

http://www.sciencedirect.com/science?_ob=MIImg&_imagekey=B6V76-4RC6R58-2-1&_cdi=5834&_user=4420&_orig=na&_coverDate=06%2F30%2F2008&_sk=999079994&_view=c&_wchp=dGLzVtz-zSkWA&_md5=a44ca09c46b13c4c52cc598865f61a2e&_ie=/sdarticle.pdf

Alfons, Weichenreider, Profit shifting in the EU: evidence from Germany, *International Tax and Public Finance*, 2009, 16 (3), 281-297.

<http://www.springerlink.com/content/u36714w7vl615k82/fulltext.pdf>

Kimberly A. Clausing, Tax-motivated transfer pricing and US intrafirm trade prices, *Journal of Public Economics*, September 2003, 87 (9-10), 2207-2223.

http://www.sciencedirect.com/science?_ob=MIImg&_imagekey=B6V76-45574X4-2-1B&_cdi=5834&_user=4420&_orig=na&_coverDate=09%2F30%2F2003&_sk=999129990&_view=c&_wchp=dGLbVtb-zSkzS&_md5=dfab2189e4be452a330af4a25f0ff36a&_ie=/sdarticle.pdf

Kimberly A. Clausing, The impact of transfer pricing on intrafirm trade, in James R. Hines Jr. ed., *International Taxation and Multinational Activity* (Chicago: University of Chicago Press, 2001).

<http://www.nber.org/chapters/c10724.pdf>

David Harris, Randall Morck, Joel Slemrod, and Bernard Yeung, Income shifting in U.S. multinational corporations, in Alberto Giovannini, R. Glenn Hubbard, and Joel Slemrod (eds.) *Studies in International Taxation* (Chicago: University of Chicago Press, 1993).

<http://www.nber.org/papers/w3924.pdf>

Tax payments

Kevin S. Markle and Douglas A. Shackelford, Worldwide Corporate Income Taxes, paper presented at European Tax Policy Forum meeting, April 2009.

http://www.ifs.org.uk/conferences/etpf09_shackelford_paper.pdf

Simon Loretz and Pdraig Moore, Corporate Tax Competition between Firms, paper presented at European Tax Policy Forum meeting, April 2009.

http://www.ifs.org.uk/conferences/etpf09_loretz_paper.pdf

Location of Expenses

Note: Asterisked readings are provided in this reader. Other readings are available upon request.

Updated: June 15, 2009

Debt-Equity Decisions

*Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr., A multinational perspective on capital structure choice and internal capital markets, *Journal of Finance*, December 2004, 59 (6), 2451-2487.

<http://www.jstor.org/stable/pdfplus/3694779.pdf>

Harry Huizinga, Luc Laeven and Gaetan Nicodeme, Capital structure and international debt shifting, *Journal of Financial Economics*, April 2008, 88 (1), 80-118.

http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V BX-4RP0MT5-1-1&_cdi=5938&_user=4420&_orig=na&_coverDate=04%2F30%2F2008&_sk=999119998&view=c&wchp=dGLbVlb-zSkzk&md5=5ce1d64b15454aa46e36c6ec49de00c7&ie=/sdarticle.pdf

Harry Huizinga, The incidence of interest withholding taxes: Evidence from the LDC loan market, *Journal of Public Economics*, March 1996, 59 (3), 435-451.

http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V76-3VW1DRT-6-2&_cdi=5834&_user=4420&_orig=na&_coverDate=03%2F31%2F1996&_sk=999409996&view=c&wchp=dGLzVlz-zSkWA&md5=d70d04c68d5d878134a2fcaeb72fd19e&ie=/sdarticle.pdf

Leslie E. Papke, One-way treaty with the world: The U.S. withholding tax and the Netherlands Antilles, *International Tax and Public Finance*, May 2000, 7 (3), 295-313.

<http://www.springerlink.com/content/r170088465867660/fulltext.pdf>

Repatriations

*Dhammika Dharmapala, C. Fritz Foley and Kristin J. Forbes, The unintended consequences of the Homeland Investment Act: Implications for financial constraints, governance, and international tax policy, Working Paper, Harvard University, September 2008.

<http://web.mit.edu/~kjforbes/www/Papers/AJCA-Draft-09-20-08pm.pdf>

Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr., Repatriation taxes and dividend distortions, *National Tax Journal*, December 2001, 54 (4), 829-851.

<http://www.people.hbs.edu/ffoley/dfhw8507.pdf>

Rosanne Altshuler and Harry Grubert, Repatriation taxes, repatriation strategies and multinational financial policy, *Journal of Public Economics*, January 2003, 87 (1), 73-107.

http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V76-475YFXJ-5-6C&_cdi=5834&_user=4420&_orig=na&_coverDate=01%2F31%2F2003&_sk=999129998&view=c&wchp=dGLbVzW-zSkzk&md5=b59bac285295a73661f6d442116dbd99&ie=/sdarticle.pdf

John R. Graham, Michelle Hanlon, and Terry Shevlin, Barriers to mobility: The lockout effect of U.S. taxation of worldwide corporate profits, Working Paper, Duke University, December 2008.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1316576

Wednesday, June 24, 2009

Systems of International Taxation Worldwide Taxation Residence-Based Taxation

Note: Asterisked readings are provided in this reader. Other readings are available upon request.

Updated: June 15, 2009

*Mihir A. Desai and James R. Hines Jr., Expectations and expatriations: Tracing the causes and consequences of corporate inversions, *National Tax Journal*, September 2002, 55 (3), 409-440.

[http://ntj.tax.org/wwtax%5Cntjrec.nsf/3FC22B212D25FE2185256CC500744650/\\$FILE/A03.pdf](http://ntj.tax.org/wwtax%5Cntjrec.nsf/3FC22B212D25FE2185256CC500744650/$FILE/A03.pdf)

Rachel Griffith, James R. Hines Jr. and Peter Sorensen, International capital taxation, Institute for Fiscal Studies, March 2008.

http://www.ifs.org.uk/mirrleesreview/reports/conference_drafts/international_tax.pdf

Mihir A. Desai and Dharmika Dharmapala, Taxes, Institutions and Foreign Diversification Opportunities, *Journal of Public Economics*, forthcoming.

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Source-Based Taxation Anti-Abuse Rules

Büttner, Thiess, Michael Overesch, Ulrich Schreiber, and Georg Wamser, The impact of thin-capitalization rules on multinationals' financing and investment decisions, CESifo Working Paper No. 1817, October 2006.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=935220

Robert Halperin and Bin Srinidhi, US income tax transfer pricing rules for intangibles as approximations of arm's length pricing, *Accounting Review* 71 (1), January 1996, 61-80.

<http://www.jstor.org/stable/pdfplus/248355.pdf>

Expense Allocation

Kenneth A. Froot and James R. Hines Jr., Interest allocation rules, financing patterns, and the operations of U.S. multinationals, in Martin Feldstein, James R. Hines Jr., and R. Glenn Hubbard (eds.) *The effects of taxation on multinational corporations* (Chicago: University of Chicago Press, 1995.)

<http://www.nber.org/chapters/c7747.pdf>

James R. Hines Jr., On the sensitivity of R&D to delicate tax changes: The behavior of US multinationals in the 1980s, in Alberto Giovannini, R. Glenn Hubbard, and Joel Slemrod (eds.) *Studies in international taxation* (Chicago: University of Chicago Press, 1993).

<http://www.nber.org/chapters/c7997.pdf>

Altshuler, Rosanne and Jack M. Mintz, U.S. interest-allocation rules: Effects and policy, *International Tax and Public Finance*, 1995, 2, 7-35.

<http://www.springerlink.com/content/q41n310505444152/fulltext.pdf>

Foreign Tax Credit Limits

Mihir A. Desai and James R. Hines Jr., "Basket" cases: Tax incentives and international joint venture participation by American multinational firms, *Journal of Public Economics*, March 1999, 71 (3), 379-402.

<http://www.people.hbs.edu/mdesai/basketcases.pdf>

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Updated: June 15, 2009

Altshuler, Rosanne and R. Glenn Hubbard, The effect of the Tax Reform Act of 1986 on the location of assets in financial services firms, *Journal of Public Economics*, January 2003, 87 (1), 109-127.
http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V76-475YFXJ-6-2&_cdi=5834&_user=4420&_orig=search&_coverDate=01%2F31%2F2003&_sk=999129998&view=c&wchp=dGLbVtb-zSkWz&md5=6835de1aa4103cf9736fec9e8a9f701c&ie=/sdarticle.pdf

**Destination-Based Taxes, Including Consumption Taxation
Implementation
Crediting
Border Adjustments**

Auerbach, Alan J., The future of fundamental tax reform, *American Economic Review*, May 1997, 87 (2), 143-146.
<http://www.jstor.org/stable/pdfplus/2950901.pdf>

Auerbach, Alan J., Michael P. Devereux, and Helen Simpson, Taxing corporate income, Institute for Fiscal Studies, March 2008.
http://www.ifs.org.uk/mirrleesreview/press_docs/corporate.pdf

Taxes other than Income Taxes

*Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr., Foreign direct investment in a world of multiple taxes, *Journal of Public Economics*, December 2004, 88 (12), 2727-2744.
http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V76-4BBHCYB-1-1&_cdi=5834&_user=4420&_orig=na&_coverDate=12%2F31%2F2004&_sk=999119987&view=c&wchp=dGLbVzz-zSkzk&md5=79f3a05a8c536706618e33bcd5ab7c01&ie=/sdarticle.pdf

Thiess Büttner and Georg Wamser, The impact of nonprofit taxes on foreign direct investment: evidence from German multinationals, *International Tax and Public Finance*, June 2009, 16 (3), 298-320.
<http://www.springerlink.com/content/6566v4448uh7v386/fulltext.pdf>

James R. Hines Jr. and Lawrence H. Summers, How globalization affects tax design, in Jeffrey R. Brown and James M. Poterba, eds. *Tax Policy and the Economy*, Volume 23 (Chicago: University of Chicago Press, forthcoming).
<http://www.nber.org/papers/w14664.pdf>

Thursday, June 25, 2009

Tax Competition

*John Douglas Wilson and David E. Wildasin, Capital tax competition: Bane or boon? *Journal of Public Economics*, June 2004, 88 (6), 1065-1091.
http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V76-4991T9C-1-4&_cdi=5834&_user=4420&_orig=na&_coverDate=06%2F30%2F2004&_sk=999119993&view=c&wchp=dGLzVlz-zSkWb&md5=e379b44842b3813f63611c3ac056ed91&ie=/sdarticle.pdf

Michael Keen, Preferential regimes can make tax competition less harmful, *National Tax Journal*, December 2001, 54 (4), 757-762.
[http://ntj.tax.org/wwtax/ntjrec.nsf/00FA57F5128AB2B685256B4B00668282/\\$FILE/v54n4757.pdf](http://ntj.tax.org/wwtax/ntjrec.nsf/00FA57F5128AB2B685256B4B00668282/$FILE/v54n4757.pdf)

Michael P Devereux, Rachel Griffith and Alex Klemm, Corporate income tax reforms and international tax competition, *Economic Policy*, 2002, 35, 451-495.

<http://www3.interscience.wiley.com/cgi-bin/fulltext/118915442/PDFSTART>

Michael P Devereux, Ben Lockwood and Michela Redoano, Do countries compete over corporate tax rates? *Journal of Public Economics*, June 2008, 92 (5-6), 1210-1235.

http://www.sciencedirect.com/science?_ob=MIImg&_imagekey=B6V76-4PNTW8D-1-9&_cdi=5834&_user=4420&_orig=search&_coverDate=06%2F30%2F2008&_sk=999079994&view=c&wchp=dGLbVzb-zSkzk&md5=93b6ebd9c43fea2ab6e0bfa4747cfc15&ie=/sdarticle.pdf

Tax Havens

*Dhammika Dharmapala and James R. Hines Jr., Which countries become tax havens? NBER Working Paper No. 12802, December 2006.

<http://www.nber.org/papers/w12802.pdf>

*Dhammika Dharmapala, What problems and opportunities are created by tax havens? *Oxford Review of Economic Policy*, Winter 2008, 24 (4), 661-679.

<http://oxrep.oxfordjournals.org/cgi/reprint/24/4/661?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&fulltext=dharmapala&searchid=1&FIRSTINDEX=0&resourcectype=HWCIT>

James R. Hines Jr., Do tax havens flourish? in James M. Poterba ed., *Tax Policy and the Economy*, vol. 19 (Cambridge, MA: MIT Press, 2005), 65-99.

<http://www.nber.org/chapters/c0165.pdf>

Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr., The demand for tax haven operations, *Journal of Public Economics*, March 2006, 90 (3), 513-531.

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Mihir A. Desai, C. Fritz Foley, and James R. Hines Jr., Do tax havens divert economic activity?, *Economics Letters*, February 2006, 90 (2), 219-224.

<http://www.people.hbs.edu/ffoley/divert.pdf>

Andrew K. Rose and Mark M. Spiegel, Offshore financial centres: Parasites or symbionts? *Economic Journal*, October 2007, 117 (523), 1310-1335.

<http://www3.interscience.wiley.com/journal/117984698/PDFSTART>

Joel Slemrod and John D. Wilson, Tax competition with parasitic tax havens, NBER Working Paper No. 12225, May 2006.

<http://www.nber.org/papers/w12225.pdf>

Friday, June 26, 2009

International Agreements, International Organizations, and Parallels to Trade Policy

Formula Apportionment

CCCTB

James R. Hines Jr., Income misattribution under formula apportionment, Working Paper, University of California – Berkeley, February 2009.

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Updated: June 15, 2009

Clemens Fuest, The European Commission's proposal for a common consolidated tax base, *Oxford Review of Economic Policy*, Winter 2008, 24 (4), 720-739.
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Dumping vs. ETI

Mihir A. Desai and James R. Hines Jr., Market reactions to export subsidies, *Journal of International Economics*, March 2008, 74 (2), 459-474. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=483483