

Kumulative Dissertation zum Themengebiet:

„The effects of income taxes on profit shifting and investment decisions“

vorgelegt von

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Profit Shifting and the Marginal Tax Rate: What Determines the Shift-to-Loss Effect?

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This paper presents the first analysis of transfer pricing strategies, employing a simulated proxy for the company's marginal tax rate. Application of this sophisticated tax measure allows us to perform a direct comparison of profit shifting to subsidiaries with low statutory tax rates and to subsidiaries with tax losses. Using a panel of 23,668 EU subsidiaries of foreign companies, we observe that the shift-to-loss effect is significant and that its size (marginal effect: -.193) does not differ considerably from the size of shifting to low tax rates (marginal effect: -.182). Our findings further indicate that the shift-to-loss effect influences profit shifting only in the short term and that profits are shifted in particular to subsidiaries, whose loss carryforwards are expected to expire in the near future.

Keywords: marginal tax rate, profit-shifting, shift-to-loss effect

JELclassification: H25; H26; H32

The Impact of Tax Rates on Corporate Risk-Taking

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According to transfer pricing rules, the allocation of assets, functions and risks within multinational companies determines the distribution of profits. This gives multinationals the incentive to shift valuable assets, complex functions and high risks to low tax countries. Whereas the literature has extensively studied the allocation of assets and debt within multinationals, I shed light on the intra-group allocation of risk. First, I outline how intragroup risk shifting can be conducted in different industries. Second, by using a dataset of unconsolidated financial statements, I show that subsidiaries' level of risk is significantly affected by the statutory tax rate. This holds especially true for manufacturing groups and their subsidiaries in the service industry. Third, I show that for a matched sample of stand-alone companies, their level of risk is also affected by the statutory tax rate.

Keywords: risk allocation, transfer pricing, profit-shifting

JEL classification: H25; H26; H32

Die Besteuerung von Immobilien-Publikumsfonds nach dem InvStRefG – Eine steuerliche Vorteilhaftigkeitsanalyse

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Wir untersuchen die Auswirkungen des InvStRefG auf die steuerliche Belastung von Immobilien-Publikumsfonds für natürliche Personen. Hierzu werden auf Basis einer mehrperiodigen Steuerbelastungsrechnung effektive Steuerbelastungen für private und betriebliche Investoren ermittelt. Es wird festgestellt, dass die Investition in Immobilien-Publikumsfonds durch die Reform in vielen Fallkonstellationen im Vergleich zur vorherigen Rechtslage begünstigt wird.

Stichwörter: Investmentfonds, Steuerbelastungsvergleich