

Oxford University Centre for Business Taxation Annual Report 2015

 Oxford University
Centre for
Business Taxation



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Oxford University Centre for Business Taxation

The Oxford University Centre for Business Taxation is an independent research centre which aims to promote effective policies for the taxation of business.

The Centre undertakes and publishes multidisciplinary research into the aims, practice and consequences of taxes which affect business. Although it engages in debate on specific policy issues, the main focus of the Centre's research is on long-term, fundamental issues in business taxation. Its findings are based on rigorous analysis, detailed empirical evidence and in-depth institutional knowledge.

The Centre provides analysis independent of government, political party or any other vested interest. The Centre has no corporate views: publications of the Centre are the responsibility of named authors. The Centre is not a consultancy: it reserves the right to publish the results of its research.

The Centre's research programme is determined on the basis of academic merit and policy relevance, and is the responsibility of the Director and the Centre's Steering Committee. Decisions on the Centre's research programme and the content of research are taken independently of the views of the Centre's donors and other funding agencies and comply with the University's Donor Charter http://www.campaign.ox.ac.uk/contribute/recognising_your_gift/donor_charter.html. All research carried out at the Centre is undertaken with a view to publication.

The Centre complies with the University's policy on conflict of interest.

If you would like to receive our e-newsletter and information about our events please email cbt@sbs.ox.ac.uk.

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Introduction

This report summarises the activities of the Centre for Business Taxation between August 2014 and July 2015.

This has been another hectic year in which there has been intense interest in the taxation of business. The OECD has continued its BEPS project, issuing 7 reports in September 2014 with a further 8 due in September 2015. In June 2015, the European Commission stepped back into the debate, with an Action Plan for a “Fair and Efficient Corporate Tax System in the European Union”, including a relaunch of the proposal for the CCCTB. In the UK, the outgoing coalition government introduced a new Diverted Profits Tax, whilst the incoming Conservative government made still more aggressively competitive reforms, announcing a reduction in the rate of corporation tax to 18%.

It is important that there is an independent voice taking part in these policy debates, seeking rational and well-researched solutions to deep problems, and holding governments and international bodies to account.

The Centre aims to play such a role, while continuing with its fundamental research into the impact and design of taxes on business. This report sets out how we have approached these dual tasks.

We have written reports and papers on many aspects of these ongoing policy debates, and given evidence directly to the OECD and the European Parliament. We have hosted three major conferences that have brought together leading international participants in the debate from business, governments, professional firms, academia and international organisations such as the OECD, European Commission, UN and IMF. These events each attracted over 200 participants.

At the same time, we have continued to undertake longer term research into the effects of various aspects of business taxation on the activities of business. Our empirical work in this area has again been helped by being given access by HMRC to anonymised, confidential tax return data.

In June 2015, we celebrated the 10th anniversary of the Centre’s establishment with a reception following our annual summer conference. In these 10 years, Centre researchers have produced a phenomenal 150 papers in leading academic journals, and the Centre has hosted 37 major policy conferences and 19 substantial academic conferences.

One measure of the strength of the Centre’s contribution to fundamental research comes from a ranking in June 2015 by REPEC (Research Papers in Economics) of university institutions for economic research in the field of public finance – a broader area of research than just business taxation, which covers all aspects of government revenue and expenditure. The Centre was ranked 11th in the world, behind the much larger economics departments at Harvard, Berkeley, MIT and others, but ahead of many other leading economics departments including the London School of Economics, Chicago and even Oxford! For a centre of our size, that is a remarkable achievement.

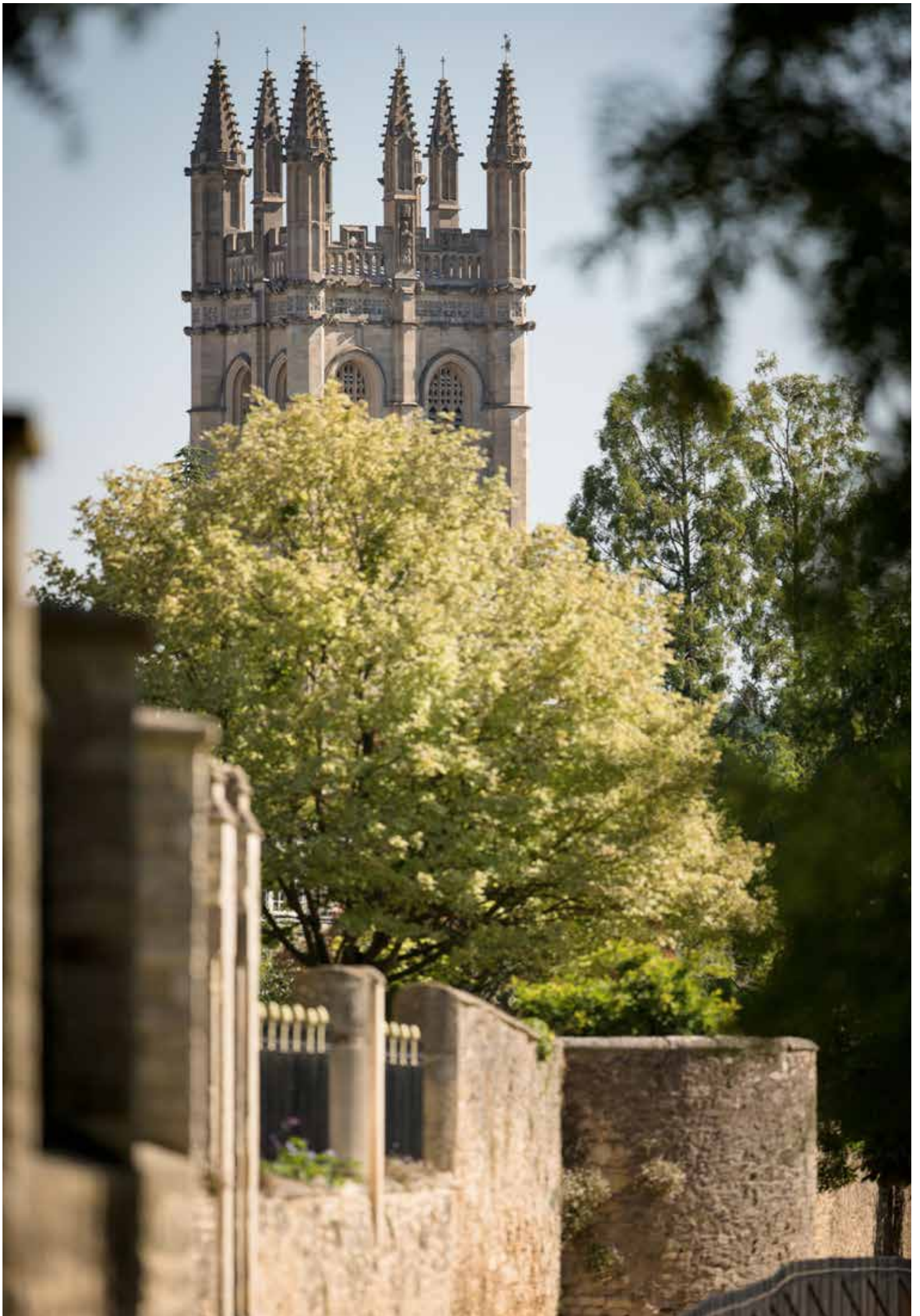
The rankings were also provided at an individual level. Of currently practising academics, I and three of our International Research Fellows were ranked in the top 10 in the world. Alan Auerbach was 4th, Joel Slemrod 5th, Jim Poterba 7th and I was 9th (and 1st outside the USA).

Our congratulations go to Judith Freedman who was made an Honorary Fellow of the Chartered Institute of Taxation at the beginning of 2015.

Finally, over the last year, we have been engaged in one important new initiative – the creation of a new MSc in Taxation. This is a joint initiative with the Law Faculty of Oxford University. In June, the University gave approval for this new part-time, two-year degree to begin in September 2016. More details will shortly be available on our website.

As in previous years, we continue to be grateful to a number of members of the Hundred Group for their generous financial support, and also to the Economic and Social Research Council and the Nuffield Foundation for their grant funding.

Michael Devereux
Director



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Sue Cooper (Schroders), Michael Devereux (CBT) and James Hines (University of Michigan)



Delegates at reception to celebrate 10 years of CBT

Research Highlights

Business Taxation under the Coalition Government

A CBT report published in February 2015 describes and evaluates the measures taken by the 2010-15 Coalition government to reform the UK business tax regime. The government's aims, set out in its original agreement in 2010 were: "We will reform the corporate tax system by simplifying reliefs and allowances, and tackling avoidance, in order to reduce headline rates. Our aim is to create the most competitive corporate tax regime in the G20, while protecting manufacturing industries". The UK tax system in 2015 is much more competitive internationally than it was in 2010. By cutting the main rate of corporation tax from 28 per cent to 20 per cent, by 2015 the UK had the equal lowest statutory tax rate in the G20 – compared to 7th in 2010. The UK has also cut its effective average tax rate – a measure of how attractive the UK tax system is for inbound foreign direct investment – substantially, although this has only improved its ranking within the G20 from 7th place to 5th place. Building on reforms introduced by the last Labour government, the Coalition has also made the UK a more attractive location for multinational companies by reforming Controlled Foreign Corporation rules and introducing the Patent Box. Raising the threshold for the Annual Investment Allowance has created significantly better incentives for investment by small- and medium-sized companies.

However, the reduction in general rates of capital allowances have tended to offset the benefits of the lower corporation tax rate for capital expenditure by large companies – to this extent, the reforms have been targeted away from manufacturing industries, despite the Coalition's aims. These reforms have also had a significant cost: using the government projections we estimate foregone corporation tax revenues in 2015/16 to be around £7.2 billion.

The Coalition also introduced a number of measures to combat tax avoidance including the General Anti-Abuse Rule, the Code of Conduct for Banks, and the Diverted Profits Tax. But the government has been much less successful in trying to simplify the tax system. The Office of Tax Simplification recently identified that since 2010, the government has abolished 57 reliefs, but added 151 new ones. A large part of the problem of simplification stems from problems in fundamental structure of the tax system, which successive governments have been unwilling to address.

Giorgia Maffini

Can the UK tax system remain competitive after BEPS?

In implementing proposals emanating from the OECD BEPS project, there will be tensions between the UK government's competitiveness agenda and its support for BEPS. Until now the UK has aimed to be competitive by having a low statutory tax rate and by designing specific regimes to attract mobile capital, such as CFC rules, interest deductibility rules and the Patent Box. But implementing BEPS proposals will make generosity in such special regimes more difficult to sustain – the government may have to tighten some specific measures aimed at attracting highly mobile capital and profits such as the patent box regime and possibly interest deductions. The government could attempt to offset such measures by further cuts in the tax rate, which it has already begun to do with the recent announcement of a reduction of the rate to 18% in 2020. But the government could also move away from the broad-base low-rate agenda by narrowing the tax base more generally. For example, it could increase capital allowances or introduce an Allowance for Corporate Equity. Both of these measures would be supported by economic theory. Currently allowances in the UK are lower than other countries, creating a greater disincentive to locate and invest in the UK. And introducing an ACE would remove the preferential treatment of debt at the same time as taxing only profit above the normal rate of return – which would also reduce disincentives to locate and invest in the UK.

Giorgia Maffini and Richard Collier

BEPS and EU

The relationship between the OECD BEPS project and the EU is more complex than might appear at first glance. On the one hand, the EU Commission is an active supporter of the project and some of its proposals have already made it into EU legislation. On the other hand, the EU Commission and the Parliament are committed to the adoption of the CCCTB, a formulary apportionment system, which departs dramatically from the international tax system which the BEPS project is meant to fix. More immediately, EU law might act as a constraint on the proposals resulting from the project. This research examines the relationship between the OECD BEPS project and EU law. As a first step it identifies the OECD proposals most susceptible to challenge on the grounds of incompatibility with EU law and provides a careful legal analysis



Edward Troup (HMRC) speaking at Summer Conference 2015

of the matter. The research then explores the unilateral and coordinated avenues through which, as a practical matter, EU Member States could adopt the OECD proposals. The research concludes by asking whether the adoption of the BEPS proposals implies a different conception of the internal market from that which emerges from current EU case law.

[John Vella and Anzhela Yevgenyeva](#)

Are we heading towards a corporate tax system fit for the 21st century?

A key feature of the Centre's research is to understand the origins of the problems of the existing international tax system; only with such an understanding will it be possible to evaluate potential reforms as to whether they could create a sustainable system for the future, reducing the distortions created to business decisions. There are three important features of the development of the existing system that create significant problems. First, the underlying "1920s compromise" for allocating the rights to tax active business income in a source country and passive income in a

residence country is both arbitrary and increasingly hard to justify or implement in a modern economic setting. Second, over time, the reliance on the arm's length pricing principle has led the OECD and governments away from a system with any serious underlying economic rationale. Third, because the system is based on taxing mobile activities, it invites countries to compete with each other to attract economic activity and to favour "domestic" companies. This undermines any international consensus. The OECD Base Erosion and Profit Shifting (BEPS) initiative essentially seeks to close loopholes rather than to re-examine these fundamental problems. It does appear to set out a principle by which tax should be levied where economic substance or activity is present. This may be a reasonable principle, but it should be recognised as being inconsistent with existing principles. As a consequence, the OECD approach is likely to create more complexity, rather than to generate a sustainable long-run tax system.

[Michael P Devereux and John Vella](#)

Managing tax complexity: improving the institutional framework for tax policy-making and oversight

There is a widespread view that tax systems are too complex and that simplification would be desirable. Complexity leads to cost, uncertainty, avoidance opportunities and the inability to engage in tax issues. And there is a point at which complexity becomes so great and unmanageable that it begins to undermine the rule of law, because it does not enable individuals to regulate their affairs properly. This research project acknowledges that complexity is undesirable but argues that it is to some extent inevitable: complexity should be reduced wherever possible, but simplification cannot be the only, or even the main, driver of tax reform. Where simplicity cannot be achieved consistently with other objectives, there should be institutional mechanisms in place to help taxpayers and revenue authorities to navigate through the remaining intricacies. Improved institutions could assist in managing uncertainty and increasing understanding, as well as leading to improvements in the tax system. In the UK, there is a proliferation of institutional approaches and the relevant institutions do not play the part they could do in improving tax law. In particular, the Office of Tax Simplification (OTS) was created specifically to tackle the issue of complexity, but new institutions need to tackle the problems at root, which the OTS has not been able to do. The announcement by the Chancellor in the summer budget 2015 that

the OTS will be put on a stronger, statutory footing in the Finance Act 2016 is recognition of the need for institutional reform, but indications to date suggest that the proposed changes do not go far enough. There is a need for wider institutional reform in the UK; we propose that the Office of Tax Simplification is transformed into a well-resourced Office of Tax Policy, with wider scope than simplification and answerable to a Joint Committee of Parliament on Taxation Policy.

Judith Freedman

How does corporation tax affect capital structure?

There is a substantial empirical academic literature which attempts to estimate the impact of taxes on companies' capital structure – that is, the use of debt and equity as sources of finance. But even in recent years, with widespread availability of data from financial accounting statements, this empirical literature has been plagued by the lack of variation in tax rates which can be used to identify the effects of taxes on the use of debt. Previous studies have typically compared companies in profit- and loss-making positions, but this approach creates many problems. By contrast, a CBT research project employs confidential UK company-level corporation tax return data from the HMRC Datalab. This allows us to exploit variation in the marginal tax rates faced by companies due to the existence of thresholds in the corporation tax rate schedule at which the marginal rate of tax changes. Using a general empirical approach, we find a positive and substantial long-run effect of tax on companies' leverage. We show that previous studies have typically underestimated these effects since they have relied on imprecise data from financial statements. We find that companies adjust their capital structures gradually in response to changes in the marginal tax rate. We also find that the external leverage of both domestic stand-alone companies and multinational companies respond strongly to corporate tax incentives.

Michael P Devereux, Giorgia Maffini and Jing Xing

With which countries do tax havens share information?

In recent years, tax havens and offshore financial centres have come under increasing political pressure to cooperate with other countries in matters of taxation and in efforts to reduce tax

evasion and avoidance. As a result many tax havens have signed tax information exchange agreements (TIEAs). In order to comply with OECD standards tax havens are obliged to sign at least 12 TIEAs with other countries. This research investigates how tax havens have chosen their partner countries. We ask whether they have signed TIEAs with countries to which they have strong economic links or whether they have systematically avoided doing this, so that information exchange remains ineffective. We analyse 565 TIEAs signed by tax havens in the years 2008–2011. We find that on average tax havens have signed more TIEAs with countries to which they have strong economic links. Our analysis thus suggests that tax havens do not systematically undermine tax information exchange by signing TIEAs with irrelevant countries. However, this does not mean that they exchange information with all important partner countries.

Katarzyna Bilicka and Clemens Fuest

How effective are tax credits for research and development?

R&D tax credits have become increasingly popular around the world in the recent years. Many countries adopted R&D tax incentive schemes in the past decade, while the generosity of existing schemes increased substantially. A pressing question now is whether these policies are effective in generating private R&D that would otherwise not have taken place. The difficulty in finding exogenous variation in the tax price of R&D complicates any policy evaluation exercise, even when suitable data at the company level on the value of tax breaks and R&D spending is available. In this study, we exploit variation in the tax price of R&D between firms and over time arising from policy changes that took place in the UK in 2008 to identify the impact of the UK R&D Tax Relief. Our study uses a rich company-level dataset on beneficiary firms and their qualifying R&D spending in HMRC's corporation tax returns. We find that the UK R&D tax credits were successful in generating R&D spending which would have otherwise not been carried out. In response to a one percent drop in the tax price of R&D, we find that UK companies increased their qualifying R&D spending by about two percent. We also find that the early announcement of the policy changes affect companies' strategies in shifting R&D spending to later periods when such spending becomes cheaper, but our results about the additional effect of the policy hold even when such strategic timing effects are taken into consideration.

Irem Gucer and Li Liu

Does profit shifting reduce tax disincentives to invest?

There have been many empirical studies investigating the impact of taxation on the location and scale of investment, and on the use of debt finance to shift profits from high tax to low tax jurisdictions. Yet these two types of response to taxation have almost always been studied independently. A recent CBT research project seeks to link the two. Specifically, it aims to investigate how the incentive to shift profit affects decisions regarding investment. To do so, it exploits a tax reform in Germany that reduced the corporation tax rate by 10 percentage points. While this directly affected the incentive to undertake investment in Germany for all companies, it also had the effect of reducing the incentive for multinational companies to use debt finance in Germany to shift profits elsewhere. Comparing changes in investment after the tax reform for multinational companies relative to domestic companies, it is in principle possible to identify any indirect effects of this profit shifting on investment by multinational companies in Germany. The study finds first that multinational companies did reduce their borrowing in Germany following the reform. It also finds that multinational companies reduced their investment in Germany relative to domestic companies. These results suggest that the opportunity to shift income abroad has a material effect on the extent to which corporation tax acts as a disincentive to invest.

Martin Simmler

Does ownership affect the impact of taxes on firm behaviour? Evidence from China

Does ownership affect the way companies react to corporate taxation? This paper exploits key features of recent corporate tax reforms in China to shed light on the differential impact of taxation on companies under different broad ownership regimes – state-owned, collectively-owned, privately owned by domestic shareholders and privately owned by foreign shareholders. The existing literature on the taxation of state-owned companies has set out different hypotheses on how they might respond to taxes; but there have been no previous empirical studies on this question. We test alternative hypotheses by exploiting Chinese tax reforms in 2006 and 2008 which had differential effects on these groups of companies. First, the 2006 reform abolished a ceiling on the deduction of wages per worker for all domestically-owned

firms. We find that – relative to foreign-owned companies – this led to a sizable increase of wages per worker in domestically-owned private companies, an even larger increase in collectively-owned enterprises, but no significant response in state-owned enterprises. Second, the 2008 reform reduced the tax rate for domestic companies. We find that this induced collectively-owned enterprises and domestically-owned private companies to reduce leverage, though again there was no significant response in state-owned enterprises. Our results also suggest that the 2008 reform reduced tax induced investment round-tripping through Hong Kong, Macao and Taiwan.

Clemens Fuest and Li Liu

How should outbound investment be taxed?

Although the UK, Japan and most other major countries no longer tax dividend income from outbound investment, the appropriate taxation of such investment remains the subject of important policy debates in the USA. A wide theoretical literature has provided conflicting results for guiding policy. Yet it has been hard until now to identify clearly the sources of the different policy prescriptions. This research synthesises and extends the literature on the taxation of foreign source income in a framework that covers different forms of outbound investment, and which allows for different possible effects on domestic investment. We find that, unless domestic investment is determined completely independently from outbound investment, then the domestic tax on foreign-source dividend income should be set to ensure the optimal allocation between the two forms of investment. Moreover, we find that the rate should be set in accordance with the “classical” rules; maximising domestic national income requires the deduction rule, while maximising global national income requires the credit rule. Allowances should be set to ensure that domestic and outbound investment is undistorted by the tax system: this requires a domestic cash-flow tax, or an allowance for corporate equity, on both domestic and outbound investment. These results extend to a number of extensions of the theoretical model.

Michael P Devereux, Clemens Fuest and Ben Lockwood

Reforming VAT rates in Europe

Within Europe differentiated rate of VAT rates date back to the introduction of VAT itself. Evidence as regards the negative consequences of applying multiple rates has been apparent for some decades. Since the late 1980s, there have been several attempts by the European Commission to amend European rate structures. However, the most recent amendments have increased the level of differentiation, rather than decreased it, with more goods and services being subject to reduced rates in Europe today than even as recently as ten years ago. However, responses to the financial crisis seem to have had the opposite effect. Since 2008, 22 of the 28 EU Member State countries have increased their VAT rates, resulting in a broad convergence of VAT standard rates across the EU around the 21% mark. Furthermore, there has also been a decrease in levels of differentiation with a reduction in number of VAT rates applicable in many Member States, together with various base broadening measures. The latest developments seem to indicate that EU member states may be engaging in an involuntary process of convergence of VAT bases, fuelled by domestic necessities. This research project presents a politically achievable blueprint for the reform of VAT rate structures, which would result in a broader-based, and thus more efficient, VAT.

[Rita de la Feria](#)



Melissa Geiger (GSK) and Richard Collier (PwC) at reception to celebrate 10 years of CBT

Policy Engagement

Members of the Centre for Business Taxation have engaged with policy-makers on several levels over the last year, by writing briefing papers, through formal and informal meetings and being invited to give presentations.

Michael Devereux presented written and oral evidence on the OECD's BEPS Action Plan 11, "Establish methodologies to collect and analyse data on BEPS and the actions to address it" at a meeting at the OECD, Paris in May 2015. A CBT policy paper containing this evidence is available on the CBT website under 'Publications'. http://www.sbs.ox.ac.uk/sites/default/files/Business_Taxation/Docs/Publications/Policy_Papers/public-discussion-draft-of-beps-action11.pdf

John Vella was one of a small number of tax law specialists who attended a conference organized by the UK Public Accounts Committee at the Guildhall in London. He gave a presentation on "Taxing the Digital Economy". Full details can be found on the UK parliament website:

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/tax-conference-2014/>

Giorgia Maffini met representatives from the Confederation of British Industry to discuss the tax policy options for business taxation in the UK.

Michael Devereux spent 2 months as a Visiting Researcher at the International Monetary Fund in Washington DC.

Michael Devereux gave a presentation at the non-profit public policy organisation, the Brookings Institution in Washington DC on corporate tax inversions in the US.

Li Liu met members of the French Parliament (representing the Committee for the European Affairs of the National Assembly) to discuss the impact of tax policies on competition policy in Europe.

Michael Devereux and Judith Freedman sat on an Advisory Group for the Center for Global Development. The Advisory Group contributed to the paper "Can stopping 'tax dodging' by multinational enterprises close the gap in finance for development: What do the big numbers really mean?" by Maya Forstater.

John Vella has written a briefing paper for the ECON Committee of the European Parliament entitled "Corporate tax practices and aggressive tax planning in the EU".

Giorgia Maffini met representatives of the Italian Office of National Statistics to discuss a project on the effects of an Allowance for Corporate Equity (ACE).

John Vella has written a briefing paper for the TAXE Special Committee of the European Parliament entitled "Aggressive Tax Planning by Multinational Enterprises: Mechanisms and Evidence" which he presented at a European Parliament Workshop on Tax Rulings held at the European Parliament in Brussels.

Michael Devereux met with representatives of Principles for Responsible Investment (PRI) a UN supported network of international investors to discuss a project to develop investor guidance on how to engage with investee companies on corporate tax issues to enhance understanding and mitigate related risks.

Giorgia Maffini met with officials from the Bank of Italy and the Italian Banking Association to discuss the relationship between the tax system and banks' capital structure.

Michael Devereux met Victor Dukelow, an economist in the Department of Finance and Personnel in Northern Ireland, to discuss best practice surrounding Corporation Tax following the passing of Corporation Tax (Northern Ireland) Bill in March 2015 resulting in the devolution of Corporation Tax to Northern Ireland from April 2017.

Following the publication of the report "Business taxation under the Coalition Government" researchers from the Centre were invited to give a half day presentation to staff at HM Treasury in June 2015. Topics covered included:

- Evaluating policy changes post-2008 and impact of such changes on competitiveness
- Investment
- Productivity, with a particular interest in R&D tax incentives
- Avoidance and profit-shifting
- Tax simplification



Edward Troup (HMRC) and James Hines (University of Michigan) at Summer Conference 2015



Peter Tufano, (Dean, Saïd Business School), Michael Devereux, (Director, CBT), Judith Freedman, (Professor of Law) Jon Symonds, (HSBC) and Colin Mayer (Professor of Management Studies) at 10th Anniversary of CBT celebrations.

Rankings of Research in Public Finance: Institutions and Economists

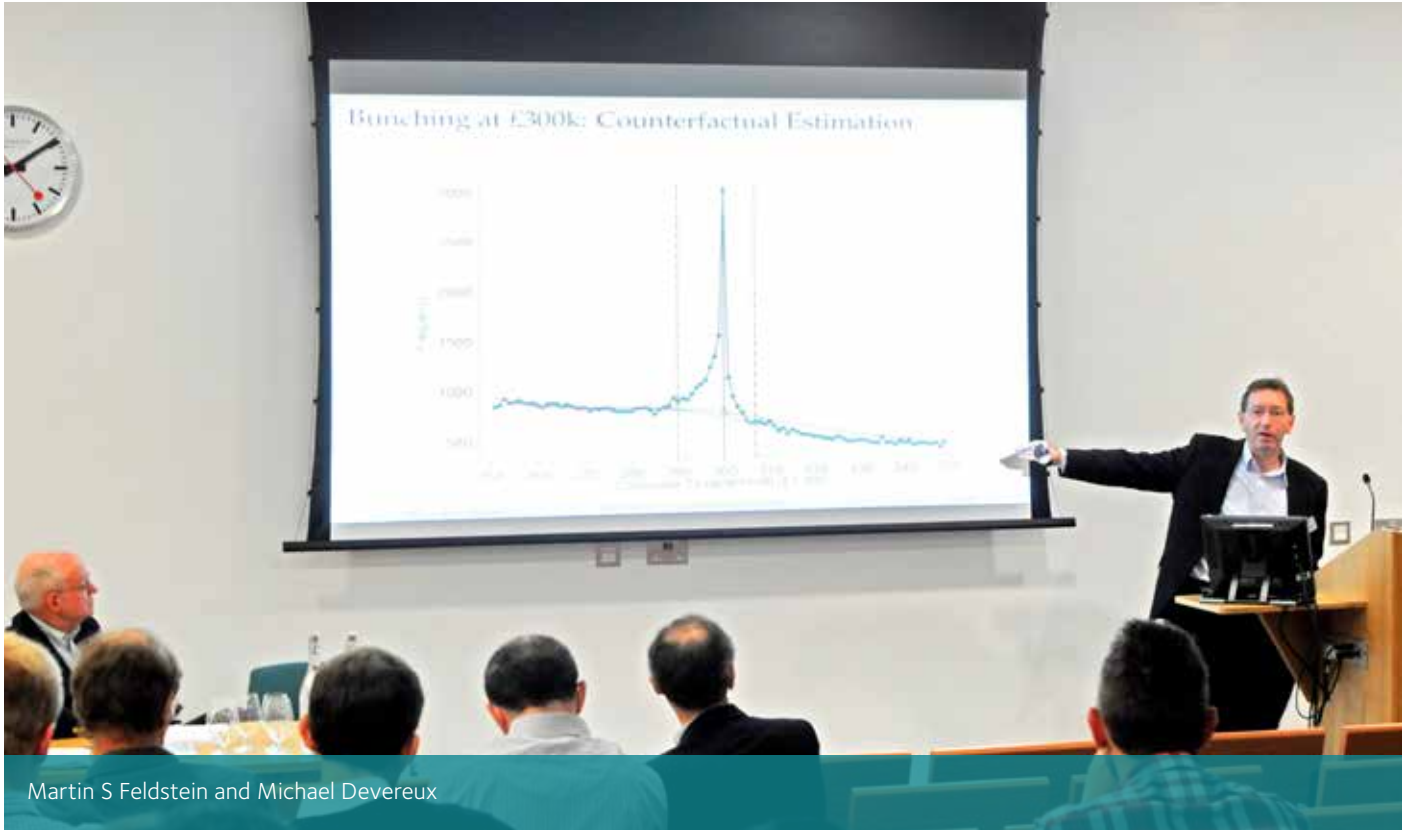
REPEC (Research Papers in Economics) produces regular rankings of the research of academic economists throughout the world. These rankings are based on a range of criteria, including the number of publications, citations, and downloads of papers. Rankings are published both for individuals, and also for institutions. Rankings are also published for specific areas of research within economics, including the field of Public Finance. This is, of course, much broader than business taxation, incorporating research in all areas relating to government revenue and expenditure.

The rankings shown here are based on 800 authors affiliated with around 1500 institutions worldwide. More information on the range of rankings published is available at <https://ideas.repec.org/top/>. Those names in bold text are International Research Fellows of the Centre for Business Taxation.

Top 20 authors in the field of Public Finance

Rank Author

- 1 Martin S. Feldstein, National Bureau of Economic Research
- 2 Robert W. Vishny, University of Chicago
- 3 Lawrence H. Summers, Harvard Business School
- 4 **Alan Auerbach, University of California, Berkeley**
- 5 Joel Slemrod, University of Michigan
- 6 N. Gregory Mankiw, Harvard University
- 7 **James Poterba, MIT**
- 8 Emmanuel Saez, University of California, Berkeley
- 9 **Michael P. Devereux, Oxford University Centre for Business Taxation**
- 10 Robin W. Boadway, Queen's University, Canada
- 11 Roger H. Gordon, University of California, San Diego
- 12 Hans-Werner Sinn, ifo Institute, Munich
- 13 John D. Wilson, Michigan State University
- 14 Alberto Alesina, Harvard University
- 15 **James R. Hines, University of Michigan**
- 16 Xavier Sala-i-Martin, Columbia University
- 17 Stephen Coate, Cornell University
- 18 Guy Laroque, Sciences Po, Paris
- 19 Thomas Piketty, Paris School of Economics, Paris
- 20 Guido Tabellini, Innocenzo Gasparini Institute for Economic Research (IGIER), Università Commerciale Luigi Bocconi, Milano



Martin S Feldstein and Michael Devereux

Top 20 academic institutions in the field of Public Finance

Rank Institution

- 1 Department of Economics, Harvard University
- 2 Department of Economics, University of California, Berkeley
- 3 Economics Department, Massachusetts Institute of Technology (MIT)
- 4 Economics Department, University of Michigan
- 5 Graduate School of Business, Columbia University
- 6 Booth School of Business, University of Chicago
- 7 Innocenzo Gasparini Institute for Economic Research (IGIER), Università Commerciale Luigi Bocconi
- 8 Department of Economics, University of California, San Diego (UCSD)
- Finance and Economics Department, Graduate School of Business, Columbia University
- 10 Department of Economics, Stanford University

Rank Institution

- 11 Department of Economics, Princeton University
- Robert D. Burch Center for Tax Policy and Public Finance, Department of Economics, University of California, Berkeley
- **Oxford University Centre for Business Taxation, Saïd Business School**
- 14 Saïd Business School, Oxford University
- 15 Economics Department, Queen's University
- 16 Department of Economics, School of Arts and Sciences, Columbia University
- 17 Kennedy School of Government, Harvard University
- 18 London School of Economics (LSE)
- 19 Department of Economics, University of Chicago
- 20 Paris School of Economics

Academic Conferences

Academic Symposium 2015

Saïd Business School, Oxford

June 2015

The Centre hosted its ninth annual academic symposium in June 2015. As in previous years, we attracted the world's leading academics in business taxation for a 3-day conference to discuss the most recent academic research in business taxation. Over 40 academics attended, with expertise in economics, law and accounting. Papers covered a wide variety of the Centre's interests.

Speakers included:

- Reuven Avi-Yonah, University of Michigan
- Laurent Bach, Stockholm School of Economics
- Salvador Barrios, European Commission
- Andrew Bird, Carnegie Mellon University
- Wei Cui, University of British Columbia
- Dhammika Dharmapala, University of Chicago
- Clemens Fuest, ZEW and University of Mannheim
- Shane Heitzman, University of Southern California
- James Hines, University of Michigan
- Carolin Holzmann, University of Erlangen-Nuremberg
- Ed Kleinbard, University of Southern California
- Rick Krever, Monash University
- Li Liu, Oxford University Centre for Business Taxation
- Giorgia Maffini, Oxford University Centre for Business Taxation
- Jacob Nussim, Bar-Ilan University
- Eric Ohrn, Grinnell College
- Martin Ruf, University of Tübingen
- Doug Shackelford, University of North Carolina
- Dan Shaviro, NYU
- Martin Simmler, Oxford University Centre for Business Taxation
- Jean-Francois Tremblay, University of Ottawa
- Eric Zwick, University of Chicago

Tax systems conference

Saïd Business School, Oxford

October 2014

The Centre held a joint conference with the Office of Tax Policy Research at the University of Michigan.

The programme featured frontier research on all aspects of tax systems, empirical and theoretical, by the leading economists working in this field. Areas of discussion included positive topics such as tax evasion and enforcement, tax avoidance, the multiple costs of

collecting taxes, and the elasticity of tax bases. In addition, normative questions such as the optimal setting of multiple tax instruments were raised – including non-standard ones such as the extent of information reporting and public disclosure – optimal observability and complexity, line drawing, and the role of firms in tax systems.

Speakers included

- Arun Advani, Institute of Fiscal Studies and University College London
- James Alm, Tulane University
- Miguel Almunia, University of Warwick
- Annette Alstadætter, University of Oslo
- Alan Auerbach, University of California, Berkeley
- Youssef Benzarti, University of California, Berkeley
- Kristina Maria Bott, Norwegian School of Economics
- Julie Cullen, University of California, San Diego
- Nadja Dwenger, Max Planck Institute for Tax Law and Public Finance
- William Elming, Institute of Fiscal Studies and University College London
- Naomi Feldman, Federal Reserve Board of Governors
- Christian Gillitzer, Reserve Bank of Australia
- James Hines, University of Michigan
- Ethan Ilzetzki, London School of Economics
- Louis Kaplow, Harvard University
- Laura Kawano, US Department of the Treasury
- Henrik Kleven, London School of Economics
- Wojciech Kopczuk, Columbia University
- Tuomas Kosonen, Government Institute for Economic Research VATT
- Kaisa Kotakorpi, University of Turku
- Jani-Petri Laamanen, University of Tampere
- Camille Landais, London School of Economics
- Li Liu, Oxford University Centre for Business Taxation
- Ben Lockwood, University of Warwick
- Erzo F P Luttmer, Dartmouth
- Tuomas Matikka, Government Institute for Economic Research VATT
- Dina Pomeranz, Harvard University
- Daniel Reck, University of Michigan
- Johannes Rincke, University of Erlangen-Nuremberg
- James Sallee, University of Chicago
- Jonathan Shaw, Institute of Fiscal Studies and University College London
- Peter Skov, University of Copenhagen
- Joel Slemrod, University of Michigan
- Johannes Spinnewijn, London School of Economics
- Ugo Troiano, University of Michigan

Doctoral Meeting 2014

Saïd Business School, Oxford

September 2014

The Centre for Business Taxation hosted its fourth Doctoral Meeting in September. The aim of the event was to provide a stimulating environment in which young scholars from around the world could discuss their research, establish informal networks and initiate future collaborations. Ten international doctoral students and young researchers came to Oxford to present their papers to their peers and members of the Centre. The work discussed in the meeting covered a wide range of issues of public economics and business taxation.

The Centre awards an annual prize for the best paper. In 2014 there were three winners:

Pierre Bachas, University of California, Berkeley for his paper *"Not(ch) Your Average Tax System: Behavioral Responses of Small Costa Rican Firms"*

Maria Coelho, University of California, Berkeley for her paper *"Dodging Robin Hood: Responses to France and Italy's Financial Transaction Taxes"* and

Carolin Holzmann, University of Erlangen-Nuremberg for her paper *"Exploiting a Window of Opportunity: Multinationals' Profit Shifting in the Absence of Restrictions"*.

IIPF Doctoral School

Exeter College, Oxford

September 2014

In his capacity as President of the International Institute for Public Finance (IIPF), Michael Devereux has instituted a new annual week-long School for current and recent doctoral students in public finance. Michael Devereux also convened the inaugural school, together with International Research Fellow Michael Keen. This was hosted by the Centre for Business Taxation in Oxford in September 2014. It was co-sponsored by the IIPF and the Centre for Business Taxation as well as three other research centres, CESifo in Munich, MaTax at ZEW, Mannheim and the University of Mannheim, and the Office of Tax Policy Research, University of Michigan.

The aim of the School is to provide a forum in which new researchers can meet to learn about and discuss issues at the forefront of academic research in specific fields of public finance. Each School will be convened by leading and experienced researchers in the relevant field. New researchers will have the opportunity to present their own research and receive constructive feedback.

The inaugural event was on "International Corporate Tax". Presentations and discussions covered several theoretical and empirical aspects of international corporate taxation including the effects of tax on business decisions such as investment, finance, and the location of real activity and profit, international aspects of corporation tax, tax competition, incidence of tax, measurement and relevance of the elasticity of corporate taxable income and optimal design of corporation tax in a domestic and international setting.

Policy Conferences

Summer Conference 2015:

UK corporation tax: past, present and future

Saïd Business School, Oxford

June 2015

2015 marks the 50th anniversary of the UK corporation tax. This presented an opportunity to step back from current concerns to assess the longer term development of the tax – its past, present and future.

Looking back over the past 50 years of the tax we took stock of the main landmarks in its development. To what extent has the tax changed and how? What lessons can we learn from our experience so far? How has the intellectual debate about taxing corporate profit developed over this period and how has it had an impact on the design of the UK tax? These questions set the scene for considering the current state of the UK corporation tax, and its future. Looking to the longer term, what are its strengths and weaknesses, and what reforms are needed? Is unilateral reform possible, or does the UK need to cooperate with other EU countries, or indeed more widely?

The Oxford University Centre for Business Taxation's annual summer conference, held on 26 June, discussed these issues. Leading speakers from government, business, academia and the media addressed different aspects of the UK corporation tax, discussing its development and future.

2015 also marks the 10th anniversary of the Oxford University Centre for Business Taxation. The final session of the conference introduced the Centre's contribution to existing knowledge about corporation tax, and a panel discussed the open questions identified over the course of the conference, thus setting a future research agenda for the Centre.

Speakers included:

Reuven Avi-Yonah, Irwin I. Cohn Professor of Law, University of Michigan
Philip Baker, QC, Field Court Tax Chambers
Sue Cooper, Group Head of Tax, Schroders
Michael Devereux, Director, Oxford University Centre for Business Taxation
Judith Freedman, Pinsent Masons Professor of Taxation Law, University of Oxford
Malcolm Gammie, QC, One Essex Court
Peter Harris, Professor of Law, University of Cambridge
James Hines, Richard A. Musgrave Collegiate Professor of Economics, University of Michigan
Vanessa Houlder, Financial Times
Edward Troup, Second Permanent Secretary and Tax Assurance Commissioner, HMRC



Vanessa Houlder (FT) speaking at the CBT Summer Conference 2015

Business tax: the Coalition years and the next parliament

University of Chicago Booth School of Business European Campus,
London

February 2015

“The government’s aim is to create the most competitive corporate tax regime in the G20”, stated the 2010 declaration of the then new coalition government. More recently, the government has had more complex objectives, stating in 2013 that “We are taking action in three areas: first, to make the UK tax system more competitive to ensure it supports investment and growth; second, to clamp down on tax avoidance and aggressive tax planning; and third, to drive forward reform of the international tax framework.”

The result has been a roller coaster of business tax reform. The main rate of corporation tax has been cut from 28% to 20%. General capital allowances have been reduced but the Annual Investment Allowance has been increased, affecting mainly small and medium-sized businesses. Tax credits for research and development have been reformed. The patent box has been introduced and amended. The new CFC regime entered into force in 2013. The Bank Levy has been introduced, as well as a Code of Practice on Taxation for Banks. The government has taken a leading role in the OECD Base Erosion and Profit Shifting (BEPS) initiative, and by the end of their tenure the coalition will have introduced the new Diverted Profits Tax.

The conference was an opportunity to evaluate these reforms – and also to look ahead to identify and discuss what needs to happen during the next Parliament.

Speakers included:

Michael Devereux, Director, Oxford University Centre for Business Taxation
Steve Edge, Slaughter and May
David Gauke MP, Financial Secretary to the Treasury
Giorgia Maffini, Senior Research Fellow, Oxford University Centre for Business Taxation
Alan McLean, Executive Vice President Tax and Corporate Structure, Royal Dutch Shell
Chris Wales, PwC, and member of the last Labour Government’s Council of Economic Advisers

Diverted profits tax conference

The British Academy, London

January 2015

In his Autumn Statement, the Chancellor indicated his intention to introduce a new tax on diverted profits (known popularly as the ‘Google Tax’). This measure aims to counteract arrangements used by large multinational enterprises that would otherwise erode the UK tax base. Profits that are ‘diverted’ from the UK will be subject to a new 25 percent charge.

There are two main elements to the proposed tax. The first addresses cases where foreign companies have significant operations in the UK, but under the existing rules avoid having a taxable presence in the UK. The second addresses cases where UK companies are using transactions or entities that lack economic substance in order to create tax advantages, in particular pay royalties to jurisdictions where they are subject to little or no tax on the receipt despite receiving relief from UK corporation tax.

This conference explored several aspects of the proposed tax, including: the broad objectives of the tax and its implications for the competitiveness of the UK business tax system; the rationale for introducing a separate tax rather than either designing new anti-avoidance provisions or relying on existing provisions; and the relationship of the new tax to the proposals emanating from the OECD BEPS project.

Speakers included:

Philip Baker QC, Field Court Tax Chambers
Michael Devereux, Director, Oxford University Centre for Business Taxation
Paul Morton, Head of Group Tax, Reed Elsevier Group
Heather Self, Partner, Pinsent Masons
Mike Williams, Director, Business and International Tax, HM Treasury



Delegates at the Academic Symposium 2015



Lawyers attending the Academic Symposium 2015

Stephen Shay, Wei Cui, Reuven Avi-Yonah, Rick Krever, Ed Kleinbard, Jacob Nussim, Judith Freedman, Dan Shaviro and Geoff Loomer

Publications

Book chapters

Bond, S., 2014. Business tax incentives. In: L. Bauger, ed. The use of tax expenditures in times of fiscal consolidation. *European Economy. Economic Papers* 523, July 2014. Brussels.

Buslei, H., Bach, S., Simmler, M. 2014. Firm Level Models – Specifically Firm Models based upon Large Data Sets. In: Cathal O’Donoghue (ed.) *Handbook of Microsimulation Modelling (Contributions to Economic Analysis, Volume 293)* Emerald Group Publishing Limited.

de la Feria, R., 2014. Supplement 20. In: R. de la Feria, ed. A handbook of EU VAT legislation. Kluwer Law International.

Devereux, M.P., 2014. New bank taxes: why and what will be the effect. In: R. de Mooij and G. Nicodeme, eds. *Taxation and regulation of the financial sector*. MIT Press.

Freedman, J., 2015. Lord Hoffmann, Tax Laws and Principles. In: P.S. Davies and J. Pila (eds) *The Jurisprudence of Lord Hoffmann*. Hart Publishing, Oxford.

Vella, J., 2014. Regulatory choice: observations on the recent experience with corrective taxes in the financial sector. In: W.G. Ringe and P.M. Huber, eds. *Legal challenges in the global financial crisis: bail-outs, the Euro and regulation*. Oxford: Hart Publishing.

Vella, J. and Yevgenyeva, A., 2015. The Financial Transaction Tax and the internal market. In: P. Koutrakos and J. Snell, eds. *Research handbook on the law of the EU’s internal market*. Edward Elgar.

Yevgenyeva, A., 2015. Enhanced cooperation: a way forward for tax integration? In: J. Englisch, ed. *International tax law and new challenges by constitutional and legal pluralism*. IBFD.

Journal articles

de la Feria, R., 2014, Sections 103-106: VAT – Mini-One-Stop-Shop (MOSS). *British Tax Review* 5, 438-433.

de la Feria, R., 2015, Blueprint for Reform of VAT Rates in Europe. *Intertax* 43(2), 154-171.

Devereux, M.P. and Vella, J., 2014, ‘Are we heading towards a corporate tax system fit for the 21st century?’ *Fiscal Studies*, 35, 4, 449-475.

Fossen, F. And Simmler, M., 2015. Personal taxation of capital income and the financial leverage of firms. *International Tax and Public Finance*, Published online March 2015

Freedman, J., 2015. Introduction to Special Issue in Honour of John Tiley: an appreciation. 2015 *British Tax Review* 1, 1-5.

Policy papers

Devereux, M., 2015. Public discussion draft of BEPS Action 11 – a response.

Devereux, M. and Maffini, G., 2015. Effects of AIA thresholds on aggregate investment (2015 Budget comment).

Freedman, J., 2015. Tax policy making: beyond simplification.

Maffini, G., 2015. A British lesson in corporate income tax.

Liu, L., 2015. How large is the social cost of taxing profit?

Liu, L., and Lockwood, B., 2015 Efficiency and welfare costs of VAT; evidence from VAT notches.

Reports

Maffini, G., (ed) 2015 Business taxation under the Coalition government.

At a conference on “Business tax: the coalition years and the next parliament” on 12 February 2015 the Oxford University Centre for Business Taxation presented a report on the results of the government’s aim to be the most competitive economy in the G20.

The report, written by researchers in the Centre for Business Taxation and edited by Senior Research Fellow Giorgia Maffini, details the roller coaster of business tax reform that has been the hallmark of the current government since 2010. The report considers the effects of the various reforms on the competitiveness of the economy, including the reduction in the main rate of corporation tax from 28% to 20%; general capital allowance reduction; Annual Investment Allowance expansion; reform of tax credits for research and development; the patent box introduction and amendment; the new CFC regime; the Bank Levy and the new Diverted Profits Tax

Other articles and publications

Vella, J., briefing paper for the TAXE Special Committee of the European Parliament entitled “Aggressive Tax Planning by Multinational Enterprises: Mechanisms and Evidence”.

Vella, J., briefing paper for the ECON Committee of the European Parliament entitled “Corporate tax practices and aggressive tax planning in the EU”.

External Presentations by Centre Staff

August 2014 – July 2015

August

70th Annual Congress of the International Institute of Public Finance (IIPF): 'Redesigning the Welfare State for Aging Societies', Lugano, Switzerland

September

1st Annual MaTax Conference, Centre for European Economic Research (ZEW), Mannheim, Germany

XXVI Annual Conference of the Italian Society of Public Finance (SIEP) Conference, Pavia, Italy

Conference on 'Jornadas de Fiscalidade', PwC / Ordem dos Economistas, Porto, Portugal

Economics Seminar HMRC, London, UK

GREIT Annual Conference 2014: 'The International Tax Law and the New Challenges by Constitutional and Legal Pluralism', Münster, Germany

IFS Residential Conference: 'Taxing Remuneration: Principles and Practice', University of Cambridge, Cambridge, UK

ITPF Annual Meeting, Washington DC, USA

Japan Tax Institute Seminar, Keidanren Kaikan, Tokyo, Japan

Oxford Academics in Japan Lecture, Tokyo, Japan

Society of Legal Scholars Annual Conference 2014, University of Nottingham, Nottingham, UK

Tax System Complexity Symposium, Monash University, Prato Centre, Prato, Italy

October

Conference on 'Direitos Sociais e Tributacao Indireta', University of São Paulo, São Paulo, Brazil

HM Treasury/HMRC Meeting on Annual Investment Allowance, London, UK

IFA Luncheon Seminar, Asociación Argentina de Estudios Fiscales, Buenos Aires, Argentina

Japan Institute of Public Finance (JIPF) Annual Congress, Chukyo University, Nagoya, Japan

Seminar on "A Reforma dos Tributos Indiretos e a sua Função Social", Institute of São Paulo Lawyers (IASP) and the Faculty of Law, University of São Paulo, São Paulo, Brazil

Tax Policy Conference: International Taxation and Economic Growth, Department of Finance, Dublin, Ireland

UK Public Accounts Committee Conference, Guildhall, London, UK

November

Conference on Abuse of Law: A Dialog Between Tax Law and Economics, Free University of Bozen, Bolzano, Italy

Department of Economics Seminar Series, University of Strathclyde, Glasgow, UK

Empirical Tax Research and Data Workshop, University of Canberra, Canberra, Australia

ERA Annual Conference on European VAT Law 2014, ERA Conference Centre, Trier, Germany

ETPF Business Meeting, St Martin-in-the-Fields, London, UK

European Tax Policy Forum Conference, London, UK

Modern Economics Lecture Series, China Centre for Economic Studies, School of Economics, Fudan University, Shanghai, China

National Tax Association Annual Conference, Santa Fe, USA

December

27th Australasian Finance and Banking Conference, Sydney, Australia

Annual Training, HMRC Newcastle, UK

Seminar, University of Bern, Bern, Switzerland

January

Brookings Institution presentation, Washington DC, USA.

IMF seminar, Washington DC, USA

International Tax Policy Forum, Washington DC, USA

Lisbon International and European Tax Law Seminars, University of Lisbon, Faculty of Law, Lisbon, Portugal

Private Roundtable with the Director of HM Revenue & Customs to discuss Tax Transparency, London, UK

Seminar MLGTS/APCF/TNI, Lisbon, Portugal

University of Florida Policy Colloquium, Florida, USA

February

Annual Finnish Tax Authorities Training, Finnish Tax Authorities, Helsinki, Finland

Conference at Cardiff Business School, Cardiff, UK

Corporate Debt Bias Economic Insights and Policy Options Conference, EU, Brussels, Belgium

Guest Lecture to the Behavioural Change Team of HM Revenue and Customs, London, UK

Meeting with delegates from French Embassy to discuss corporate tax system, London, UK

March

CDM Workshop III, Maastricht, Netherlands

Department of Economics seminar, University of Michigan, USA

Royal Economic Society Annual Conference, Manchester, UK

Seminar, Dundee University, Dundee, UK

April

IFS seminar, London, UK

NBER Public Economics Conference, Cambridge, USA

Law Society Conference, London, UK

ZEW Public Finance Conference, Mannheim, Germany

May

3rd Annual Bentham House Conference, "The Philosophical Foundations of Tax Law", UCL, London, UK

Conference of the European Association of Tax Law Professors, Milan, Italy

Meeting on the Public Discussion Draft of the OECD BEPS Action 11, OECD, Paris, France

Seminar, TU Dresden, Germany

Workshop on Individual and Small Business Taxation, VATT, Helsinki, Finland

June

Aggressive Tax Planning Workshop, University of Lisbon, Lisbon, Portugal

Confederation of British Industry seminar, London, UK

European Parliament Workshop on Tax Rulings, European Parliament, Brussels, Belgium

European Tax Policy Forum Conference, London, UK

HM Treasury and HMRC Workshop on Business Tax Issues, London, UK

Reform of the UK's Financial Sector, Warwick Business School, Warwick, UK

Workshop on Individual and Small Business Taxation, Warsaw, Poland

July

International Workshop on "Economics and Politics: The Power of Capital", Renmin University, Beijing, China

Countries and Institutions Visited

Through the year, the Centre's staff have travelled globally, speaking at a number of conferences and giving presentations and seminars at a wide range of institutions, a list of which appears below.

Argentina – Buenos Aires

Australia – University of Canberra; Sydney

Belgium – Brussels, European Community

Brazil – University of São Paulo

China – Renmin University, Beijing; Fudan University, Shanghai

Finland – Helsinki

France – OECD, Paris

Germany – Centre for European Economic Research (ZEW), Mannheim; Münster; Trier; TU, Dresden

Ireland – Dublin

Italy – University of Bozen; Monash University, Prato; Pavia

Japan – Chukyo University, Nagoya; Tokyo

Netherlands – Maastricht

Poland – Warsaw

Portugal – University of Lisbon; Porto

Switzerland – University of Bern; Lugano

UK – HM Revenue and Customs; HM Treasury; IFS; CBI; Law Society; Bentham House UCL; London; Dundee University; Manchester; Newcastle; University of Cambridge; University of Nottingham; University of Strathclyde, Glasgow

USA – Brookings Institution; IMF Headquarters, Washington DC; Cambridge, Massachusetts; Santa Fe; University of Michigan; University of Florida



Working Papers

WP 14/13	Blueprint for reform of VAT rates in Europe Rita de la Feria
WP 14/14	The use of neutralities in international tax policy David Weisbach
WP 14/15	Do financial frictions amplify fiscal policy? Evidence from business investment stimulus Eric Zwick and James Mahon
WP 14/16	Public pressure and corporate tax behavior Scott D Dyreng, Jeffrey L Hoopes and Jaron H Wilde
WP 14/18	How should governments promote distributive justice?: A framework for analyzing the optimal choice of tax instruments David Gamage
WP 14/19	Taking the High Road? Compliance with commuter tax allowances and the role of evasion spillovers Jörg Paetzold and Hannes Winner
WP 14/22	As American as Apple Inc: International tax and ownership nationality Chris Sanchirico
WP 14/23	Should transactions services be taxed at the same rate as consumption? Ben Lockwood and Erez Yerushalmi
WP 14/24	Do multinational firms invest more? On the impact of internal debt financing on capital accumulation Martin Simmler
WP 14/25	Are we heading towards a corporate tax system fit for the 21st century? Michael P Devereux and John Vella
WP 14/26	The economics of advance pricing agreements Johannes Becker, Ronald B Davies and Gitte Jakobs
WP 14/27	Taxation and the optimal constraint on corporate debt finance Peter Birch Sørensen
WP 14/28	Taxation of shareholder income and the cost of capital in a small open economy Peter Birch Sørensen
WP 15/01	Knocking on Tax Haven's Door: multinational firms and transfer pricing Ronald B Davies, Julien Martin, Mathieu Parenti and Farid Toubal
WP 15/02	Who benefits from state corporate tax cuts? A local labour markets approach with heterogeneous firms Juan Carlos Suarez Serrato and Owen Zidar
WP 15/03	The spillover effects of outward foreign direct investment on home countries: evidence from the United States Jitao Tang and Rosanne Altshuler
WP 15/04	The taxation of foreign profits: a unified view Michael P Devereux, Clemens Fuest and Ben Lockwood
WP 15/05	Does ownership affect the impact of taxes on firm behaviour? Evidence from China Clemens Fuest and Li Liu
WP 15/06	VAT notches Li Liu and Ben Lockwood
WP 15/07	Corporate tax incentives and capital structure: empirical evidence from UK tax returns Michael P Devereux, Giorgia Maffini and Jing Xing
WP 15/08	Managing tax complexity: the institutional framework for tax policy-making and oversight Judith Freedman
WP 15/09	Base erosion, profit shifting and developing countries. Ernesto Crivelli, Ruud de Mooij and Michael Keen
WP 15/10	Surcharges and penalties in UK tax law Rita de la Feria and Parintira Tanawong
WP 15/11	Tax incentives and R&D: an evaluation of the 2002 UK reform using micro data Irem Guceri
WP 15/12	Effectiveness of fiscal incentives for R&D: a quasi-experiment Irem Guceri and Li Liu

Academic Seminars

External Speakers

Professor Louis Kaplow, *Harvard Law School, Harvard University*

Government policy and labor supply with myopic or targeted savings decisions

Professor Joel B. Slemrod, *Stephen M. Ross School of Business, University of Michigan*

A characteristics approach to optimal taxation: line drawing and tax-driven product innovation

Professor Nathan Seegert, *University of Utah*

Something for nothing: using strategic interactions in investment decisions to increase the efficiency of tax policy

Dr Erik Röder, *Max Planck Institute for Tax Law and Public Finance*

Harmonisation of corporate exit taxation: need and perspectives

Professor Lillian F. Mills, *The University of Texas at Austin*

Taxes and financial constraints: evidence from linguistic cues

Professor Gareth Myles, *University of Exeter*

Self-employment underreporting in Great Britain: who and how much?

Dr Joana Naritomi, *London School of Economics*

Consumers as tax auditors

Professor Ruth Mason, *University of Virginia*

Citizenship taxation

Dr Dominika Langenmayr, *University of Munich*

Voluntary disclosure of evaded taxes – increasing revenues, or increasing incentives to evade?

Dr Elizabeth Chorvat, *University of Illinois at Urbana-Champaign*

Expectations and expatriations: an event study

Professor Johannes Becker, *University of Münster*

Unilateral introduction of destination-based corporate income taxation

Visitors

Professor Joel Slemrod

July – December 2014

Joel Slemrod is the Paul W. McCracken Collegiate Professor of Business Economics and Public Policy and Professor of Economics at the University of Michigan. He studies and writes about tax policy. He has been a senior staff economist at the President's Council of Economic Advisers, and a consultant to the US Department of the Treasury, the Canadian Department of Finance, the New Zealand Department of Treasury, the South African Ministry of Finance, the World Bank, the OECD, and several corporations. From 1992 to 1998, he was editor of the *National Tax Journal* and from 2006 to 2010 he was co-editor of the *Journal of Public Economics*. He is co-author with Leonard E. Burman of *Taxes in America: What Everyone Needs to Know*, published in 2012, co-author with Jon Bakija of *Taxing Ourselves: A Citizen's Guide to the Great Debate over Taxes*, and co-author with Christian Gillitzer of *Tax Systems*, published in 2014. In 2012 he was the recipient of the Daniel M. Holland Medal, presented by the National Tax Association for outstanding lifetime contributions to the study and practice of public finance. He is a member of the Centre's Advisory Board.

Michael Blank

September 2014

Michael Blank is a doctoral candidate at the University of Erlangen-Nuremberg and a Lecturer in Law in the University of Heidelberg. He studied Law at the University of Cambridge. He has previously worked at a number of laws firms in Germany. Whilst at the Centre his research largely focused on the UK bank levy, and a comparative analysis with the German bank levy.

Dr Robert Ullmann

November 2014 – March 2015

Robert Ullmann is Assistant Professor of Business Taxation at the Münster Institute of Accounting and Taxation. His research activities focus on international business taxation and its overlap with related fields such as public finance and international accounting. His graduate and PhD level training was in corporate taxation, corporate finance and econometrics. Robert spent more than four years in a non-academic environment as a consultant on tax law and controversy while at the same time serving as a Postdoctoral Research Fellow at the University of Münster (Germany). Whilst at the Centre he continued his research on international taxation of multinational enterprises.

Dr Dominika Langenmayr

April – June 2015

Dominika Langenmayr is an Assistant Professor at the University of Munich. She received her PhD from the University of Munich in 2013. She visited UC San Diego for the first part of the academic year 2014-5, and then visited the Centre for three months, where she worked on a number of projects on corporate taxation, and began joint projects with researchers from the Centre. Her interests include the use of tax havens and policy measures against tax havens. Whilst at the Centre she presented a research seminar on "Voluntary disclosure of evaded taxes – increasing revenues, or increasing incentives to evade?"

Dr Jing Xing

June 2015

Jing Xing is an Assistant Professor of Finance at Antai College of Economics and Management, Shanghai Jiao Tong University. She was previously a research fellow at the Centre for Business Taxation, having gained a DPhil at the University of Oxford. Her visit to the Centre was to enable her to collaborate with Professor Michael Devereux and Dr Giorgia Maffini on joint research on the effects of taxation on investment and financial policy, using UK tax return data.

Centre Staff

Director

Michael Devereux

Michael Devereux is Director of the Oxford University Centre for Business Taxation, Professor of Business Taxation and Professorial Fellow at Oriel College, Oxford. He is Research Director of the European Tax Policy Forum, and Research Fellow of the Centre for Economic Policy Research and CESifo. He is President of the International Institute for Public Finance, assistant editor of the *British Tax Review* and is a member of the Editorial Board of the *World Tax Journal*. Professor Devereux is a member of the Business Forum on Tax and Competitiveness, chaired by the Exchequer Secretary, and in 2014 was a member of the European Commission High Level Expert Group on Taxation of the Digital Economy.



Director of Legal Research

Professor Judith Freedman

Judith Freedman is Director of Legal Research of the Oxford University Centre for Business Taxation, Pinsent Masons Professor of Taxation Law, University of Oxford, and Fellow of Worcester College, Oxford. She was a member of the Aaronson General Anti-Avoidance Rule Study Group and has served on many other governmental and other policy committees. She is a member of the Council of the Institute for Fiscal Studies (IFS) and the IFS Tax Law Review Committee. Judith is a visiting Adjunct Professor in the Australian School of Taxation and Business Law, University of New South Wales. She is general editor of the *British Tax Review* as well as being on the editorial boards of the *Modern Law Review*, *eJournal of Tax Research*, *Canadian Tax Journal*, *Australian Tax Review* and *Tax Journal*. Currently, she is Chair of the Addington Society. Judith was appointed a CBE in the 2013 New Year's Honours List and was awarded an Honorary Fellowship by the Chartered Institute of Taxation (CIOT) in January 2015.



Programme Directors

Professor Wiji Arulampalam

Wiji Arulampalam is Professor of Economics at the University of Warwick. She is also an Adjunct Professor at the University of Oslo and a Research Fellow at IZA, Institute for the Study of Labor, Bonn, Germany. She is also an elected member of the Executive committee of the European Association of Labour Economics and the Women's committee of the Royal Economic Society. She is a member of the editorial board of *Foundations and Trends in Econometrics*.



Professor Stephen Bond

Stephen Bond is Senior Research Fellow at Nuffield College, and a Visiting Professor in the Department of Economics, University of Oxford. He was previously Deputy Director of the ESRC Centre for Public Policy at the Institute for Fiscal Studies, and a member of the IFS Mirrlees Review editorial team.



Professor Rita de la Feria

Rita de la Feria is Professor of Tax Law at Durham University. She holds a law degree from the University of Lisbon, and began her professional career as a tax consultant with Arthur Andersen, working in both their Lisbon and Dublin offices. She completed her PhD on EU VAT harmonisation at the University of Dublin, Trinity College in 2006. Prior to joining Durham Law School, she worked as Senior Research Fellow at the Centre, and before that held lecturing positions at both Trinity College Dublin and Queen's University Belfast.



Professor Clemens Fuest

Clemens Fuest is President and Director of Science and Research of the Centre for European Economic Research (ZEW) in Mannheim, and Professor of Economics at the University of Mannheim. He is a Research Fellow of CESifo and IZA and is a member of the Academic Advisory Board of the German Federal Ministry of Finance and of the Academic Advisory Board of Ernst and Young AG, Germany. Clemens was previously Professor of Business Taxation at Saïd Business School, University of Oxford, and Research Director of the Oxford University Centre for Business Taxation, and before that was Professor of Economics at the University of Cologne.



Professor Ben Lockwood

Ben Lockwood is Professor of Economics at the University of Warwick. He is a Research Fellow of CEPR and CESifo, and a member of the editorial boards of *The Economic Journal*, *International Tax and Public Finance*, and *the Journal of Macroeconomics*. He has acted as a consultant on tax policy for the IMF and PwC. He is a member of the Board of Management of the International Institute of Public Finance.



Dr Helen Simpson

Helen Simpson is a Reader in Economics at the University of Bristol, and a member of the Centre for Market and Public Organisation. She is a Research Affiliate of the CEPR and a member of the Academic Panel at the What Works Centre for Local Economic Growth. She is an Associate Editor of the *Journal of the European Economic Association*, and an Associate Editor of *Fiscal Studies*.



Senior Research Fellows

Dr Li Liu

Li Liu is a Senior Research Fellow at the Oxford University Centre for Business Taxation. She holds a PhD in Economics from Rutgers University. Her research focuses on public economics, in particular corporate taxation and finance. Her current research addresses the economic and welfare implication of corporation taxes on business behaviour including small business incorporation and investment, international taxation and UK multinational investment, and the overall social costs of corporation tax.



Dr Giorgia Maffini

Giorgia Maffini is a Leverhulme Trust Fellow at the Oxford University Centre for Business Taxation. She has been a Research Fellow at the Centre since 2006 becoming a Senior Research Fellow in 2014 and was awarded a Leverhulme Trust Fellowship from 2013 to pursue her research on the effects of taxes on business behaviour. Since May 2010, she has also been a Visiting Lecturer at the Department of Policy Analysis and Public Management, Bocconi University, Italy, where she teaches Business Law and Public Finance. Previously Giorgia was an Economist at the Centre for Tax Policy and Administration (CTPA) of the OECD in Paris. Giorgia holds a PhD in Economics from the University of Warwick. Her current research focuses on the effect of the tax system on corporate investment and on the capital structure of the firm and on the taxation of the financial sector.



Dr John Vella

John Vella is a Senior Research Fellow and Associate Professor at the Oxford University Centre for Business Taxation and a member of the Faculty of Law at Oxford. John studied law at the University of Malta (BA and LL.D) and the University of Cambridge (LL.M and Ph.D). He was previously Norton Rose Career Development Fellow in Company Law at Oxford. John has been a Program Affiliate Scholar at New York University and a co-arbitrator in a tax dispute before the ICC International Court of Arbitration. He is currently Convenor of the Tax Section of the UK Society of Legal Scholars and a member of the editorial board of the *Journal of Tax Administration*. His recent research has focused on financial sector taxation, on which he has given expert evidence before UK Parliamentary Committees on a number of occasions; the taxation of multinationals, on which he has written briefing papers for Committees of the European Parliament; and tax compliance and administration.



Research Fellows

Katarzyna Bilicka

Katarzyna is a DPhil student in Economics at the University of Oxford. She joined the Centre as a Research Fellow in October 2010. Previously she studied BSc Mathematics and Economics at the University of Warwick, and continued with her studies to obtain an MSc in Economics and International Financial Economics in 2010. At the Centre she conducts research on various topics related to business taxation and fiscal policy. She is responsible for the maintenance and development of the CBT Tax Database.



Dr Irem Guceri

Irem received her BA in Economics from Koc University in Istanbul and her MSc in Economics at LSE. She then worked as an economist at the World Bank in the Europe and Central Asia region, Financial and Private Sector Development unit. She holds a DPhil in Economics from the University of Oxford. Her current research focuses on productivity and corporate taxation in R&D-intensive sectors.



Dr Martin Simmler

Martin joined the Centre as a Research Fellow in 2014. He completed his DPhil in Economics at the Free University Berlin in 2013. His research interest is public economics, in particular, the impact of taxes and public goods and service provision on firm decisions (location, finance, employment and investment decision). Martin is also a Research Fellow at the German Institute for Economic Research Berlin (DIW Berlin).



Dr Anzhela Yevgenyeva

Anzhela Yevgenyeva joined the Oxford University Centre for Business Taxation in 2012 as a Research Fellow. Anzhela holds a DPhil in Law from the University of Oxford, where she had previously completed her Masters in Law. She also holds a BA and MA in Law from the Kyiv-Mohyla Academy in Ukraine. She is the Managing Editor of the looseleaf encyclopedia D. Vaughan and A. Robertson (eds.), *The Law of the EU* (OUP). Her current research addresses various aspects of taxation and EU law with a particular interest in the intersection of these two fields.



Research Assistants

Dongxian Guo

Dongxian Guo is a Research Assistant at the Oxford University Centre for Business Taxation. Dongxian completed her MSc in Economics from the University of Warwick in 2015. Previously, she received her MA Honours degree in Economics from the University of Glasgow in 2013. Her work at the Centre involves research on various topics in corporation tax and VAT.



Strahil Lepoev

Strahil Lepoev joined the Oxford University Centre for Business Taxation as a Research Assistant in October 2014. Strahil holds a BBA (majors: Finance and Mathematics) from University of Wisconsin-Madison and MSc Economics from University of Warwick. His work includes topics related to tax avoidance and the effects of taxation on investment.



DPhil Scholar

Daisy Ogembo

Daisy Ogembo is an Advocate of the High Court of Kenya. She holds an undergraduate degree in Law from the University of Nairobi and a Masters in Law from University of London. Daisy worked for six years in the leading litigation firm of Oraro & Company Advocates, where she obtained significant experience in the preparation of briefs and submissions for consumption by the High Court of Kenya, the Court of Appeal of Kenya, the International Criminal Court, as well as private clients and government institutions. Daisy also has made numerous oral arguments before judges of the High Court and Court of Appeal in Kenya. Since January 2013, she has been working at the Strathmore Law School as a full time faculty member and Director of Research, Strathmore Tax Research Centre.



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- **Nuffield Foundation**
The Centre has been awarded a grant to support research into fundamental tax reform entitled *“Designing a Business Profit Tax Fit for the 21st Century”*.

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Occasionally, the Centre accepts commissions to carry out independent academic research from government and non-governmental organisations.

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