How would the introduction of an EU-wide formula apportionment affect the distribution and size of the corporate tax base? An analysis based on German multinationals

Clemens Fuest · Thomas Hemmegarn · Fred Ramb

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Tables 1–4 are incorrect in both online and print versions of this article. The decimal separators should have been commas. New tables follow on next pages.

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C. Fuest · T. Hemmegarn (✉)
Department of Economics, University of Cologne, Albertus-Magnus-Platz, 50923 Cologne, Germany
e-mail: thomas.hemmelgarn@uni-koeln.de

F. Ramb
Deutsche Bundesbank, Economic Research Centre, Wilhelm-Epstein-Straße 65439, e14,
60431 Frankfurt am Main, Germany

Table 1 The mean of profit, property, sales (in thousand Euro) and number of employees for the years 1996–2001

Country	mprofit	mproperty	msales	memployees	Number of firms
Austria	818 (22,114)	8,880 (45,412)	46,688 (156,264)	173 (497)	702
Belgium	3,372 (28,086)	11,417 (66,109)	71,602 (355,387)	156 (778)	427
Denmark	245 (6,649)	4,344 (16,095)	29,076 (69,128)	100 (237)	208
Finland	1,345 (5,964)	8,107 (38,744)	22,581 (56,847)	68 (177)	195
France	1,050 (49,848)	10,427 (52,142)	90,259 (653,058)	230 (868)	993
Germany	8,560 (156,078)	66,202 (596,773)	378,836 (2,164,687)	1,686 (9,483)	1,844
Great Britain *	−10,210 (223,247)	17,295 (135,137)	80,785 (510,215)	245 (1,575)	790
Greece *	−9 (2,503)	4,423 (7,831)	27,604 (47,498)	108 (174)	99
Ireland	2,503 (14,733)	5,560 (18,540)	17,103 (39,054)	90 (194)	110
Italy	1,999 (14,349)	9,551 (43,574)	56,082 (243,091)	137 (392)	609
Luxemburg *	−4,973 (158,101)	11,115 (40,902)	26,068 (58,859)	83 (154)	95
The Netherlands	6,954 (162,486)	9,834 (53,486)	35,800 (102,136)	109 (238)	611
Portugal	1,267 (10,817)	17,314 (84,595)	49,121 (189,388)	225 (526)	186
Spain	2,415 (17,554)	11,174 (56,575)	55,832 (255,940)	207 (745)	545
Sweden	3,717 (41,394)	20,056 (158,259)	68,260 (379,808)	225 (1,498)	256

Standard deviations in parenthesis.

*The negative values for these countries are due to large losses of single firms during the sample period.

Table 2 The sum of the SA tax base for the EU15 countries in m. Euro for the years 1996–2001

Country	SA tax base
Austria	6,144
Belgium	7,659
Denmark	972
Finland	676
France	16,056
Germany	114,700
Great Britain	8,549
Greece	379
Ireland	1,314
Italy	6,634
Luxemburg	1,363
The Netherlands	21,460
Portugal	1,923
Spain	6,897
Sweden	4,691

Table 3 Comparison between the sum of the SA and an FA tax base without international loss-offset for the EU15 countries in m. Euro for the years 1996–2001

Country	SA tax base	Formula apportionment without loss-offset	Difference	Change in percent (%)
Austria	6,144	16,793	10,649	173
Belgium	7,659	5,625	−2,034	−27
Denmark	972	1,047	75,309	8
Finland	676	635	−41	−6
France	16,056	16,129	73	0
Germany	114,700	121,400	6,714	6
Great Britain	8,549	13,168	4,619	54
Greece	379	527	148	39
Ireland	1,314	793	−521	−40
Italy	6,634	6,748	114	2
Luxembourg	1,363	1,114	−249	−18
The Netherlands	21,460	7,543	−13,916	−65
Portugal	1,923	2,666	744	39
Spain	6,897	7,273	377	5
Sweden	4,691	3,053	−1,639	−35

Table 4 Comparison of the sum of the SA tax base and the FA tax base for the years 1996–2001 in m. Euro

Country	SA tax base	FA tax base	Difference	Change in percent (%)
Austria	6,144	13,005	6,861	112
Belgium	7,659	4,550	−3,109	−41
Denmark	972	737	−235	−24
Finland	676	509	−167	−25
France	16,056	11,011	−5,045	−31
Germany	114,700	95,351	−19,313	−17
Great Britain	8,549	7,869	−680	−8
Greece	379	435	56	15
Ireland	1,314	650	−664	−51
Italy	6,634	4,882	−1,752	−26
Luxemburg	1,363	829	−534	−39
The Netherlands	21,460	5,481	−15,979	−74
Portugal	1,923	2,165	242	13
Spain	6,897	5,777	−1,120	−16
Sweden	4,691	2,004	−2,685	−57
EU15	199,400	155,300	−44,100	−22