

References

- [1] Abel A.W. (1983), Optimal Investment Under Uncertainty, *American Economic Review*, 73, pp. 228-233.
- [2] Abel A.W. (1984), The Effects of Uncertainty on Investment and the Expected Long-Run Capital Stock, *Journal of Economic Dynamics and Control*, 7, pp. 39-53.
- [3] Abel A.W. (1985), A Stochastic Model of Investment, Marginal q and the Market Value of the Firm, *International Economic Review*, 26, pp. 305-322.
- [4] Aizenman J. (1998), New Activities, the Welfare Cost of Uncertainty and Investment Policies, *International Journal of Finance and Economics*, 3, pp. 97-110.
- [5] Aizenman J. and N. Marion (2004), The Merits of Horizontal versus Vertical FDI in the Presence of Uncertainty, *Journal of International Economics*, 62, pp. 125-148.
- [6] Altshuler R. and H. Grubert (2003), Repatriation Taxes, Repatriation Strategies and Multinational Financial Policy, *Journal of Public Economics*, 87, pp. 73-107.

- [7] Alvarez L.H.R. and V. Kannianen (1997), Valuation of Irreversible Entry Options under Uncertainty and Taxation, CES Working Paper No. 144.
- [8] Alvarez L.H.R. and V. Kannianen (1998), Irreversible Investment and the Johansson-Samuelson Tax, mimeo.
- [9] Alvarez L.H.R., V. Kannianen, and J. Södersten (1998), Tax Policy Uncertainty and Corporate Investment: A Theory of Tax-Induced Investment Spurts, *Journal of Public Economics*, 69, pp. 17-48.
- [10] Auerbach A.J. (1986), The Dynamic Effects of Tax Law Asymmetries, *Review of Economic Studies*, 53, pp. 205-225.
- [11] Auerbach A.J. (1989), Tax Reform and Adjustment Costs: The Impact on Investment and Market Value, *International Economic Review*, 30, pp. 939-962.
- [12] Auerbach A.J. (1991), Retrospective Capital Gains Taxation, *American Economic Review*, 81, pp. 167-178.
- [13] Auerbach A.J. (2004), How Much Equity Does the Government Hold?, *American Economic Review*, 94, pp. 211-216.
- [14] Auerbach A.J. (2005), The Tax Reform Panel's Report: Mission Accomplished?, *Economists' Voice*, www.bepress.com.
- [15] Auerbach A.J. (2006a), The Choice Between Income and Consumption Taxes, NBER Working Paper No. 12307.
- [16] Auerbach A.J. (2006b), The Future of Capital Income Taxation, 2006 Institute for Fiscal Studies Annual Lecture.
- [17] Auerbach A.J. (2006c), The U.S. Tax System in International Perspective: A Review of the 2006 Economic Report of the President's Tax Chapter, *Journal of Economic Literature*, 44, pp. 662-668.
- [18] Auerbach A.J. and D.F. Bradford (2004), Generalized Cash-Flow Taxation, *Journal of Public Economics*, 88, pp. 957-980.
- [19] Auerbach A.J. and J.R. Hines Jr. (1988), Investment Tax Incentives and Frequent Tax Reforms, *American Economic Review*, 78, pp. 211-216.

- [20] Backus D., S. Foresi and C. Telmer (2001), Affine Term Structure Models and the Forward Premium Anomaly, *Journal of Finance*, 56, pp. 279-304.
- [21] Ball R. and J. Bowers (1983), Distortions Created by Taxes Which Are Options on Value Creation: The Australian Resources Rent Tax Proposal, *Australian Journal of Management*, 8, pp. 1-14.
- [22] Becker J. and C. Fuest (2005), Does Germany Collect Revenue from Taxing Capital Income?, *Fiscal Studies*, 26, pp. 491-511.
- [23] Berk J. (1999), A Simple Approach for Deciding When to Invest, *American Economic Review*, 89, pp. 1319-1326.
- [24] Bernanke B.S. (1983), Irreversibility, Uncertainty, and Cyclical Investment, *Quarterly Journal of Economics*, 98, pp. 85-103.
- [25] Bird R.M. (2005), A Look at Local Business Taxes, *State Tax Notes*, May, pp. 685-698.
- [26] Bizer D.S. and K.L. Judd (1989), Taxation and Uncertainty, *American Economic Review*, 79, pp. 331-336.
- [27] Boadway R. and N. Bruce (1984), A General Proposition on the Design of a Neutral Business Tax, *Journal of Public Economics*, 24, pp. 231-239.
- [28] Bond S.R. (2000), Levelling Up or Levelling Down? Some Reflections in the ACE and CBIT Proposals, and the Future of the Corporate Tax Base, in S. Cnossen (ed.), *Taxing Capital Income in the European Union - Issues and Options for Reform*, Oxford University Press, Oxford.
- [29] Bond S.R. and M.P. Devereux (1995), On the Design of a Neutral Business Tax under Uncertainty, *Journal of Public Economics*, 58, pp. 57-71.
- [30] Bond S.R. and M.P. Devereux (2003), Generalised R-based and S-based Taxes under Uncertainty, *Journal of Public Economics*, 87, pp. 1291-1311.

- [31] Bonzani E., P.M. Panteghini and F. Venturi (2002), Italy's Taxation of Financial Income at A Crossroads, *Tax Notes International*, November, pp. 469-473.
- [32] Bordignon M., S. Giannini and P.M. Panteghini (1999), Corporate Taxation in Italy: The 1998 Reform, *Finanzarchiv*, 56, pp. 335-362.
- [33] Bordignon M., S. Giannini and P.M. Panteghini (2001), Reforming Business Taxation: Lessons from Italy?, *International Tax and Public Finance*, 8, pp. 191-210.
- [34] Bradford D.F. (1986), *Untangling the Income Tax*, Harvard University Press, Cambridge, MA, and London.
- [35] Bradford D.F. (1998), Transition To and Tax-Rate Flexibility in a Cash-Flow-Type Tax, *Tax Policy and the Economy*, 12, pp. 151-172.
- [36] Bradford D.F. (2003), Addressing the Transfer-Pricing Problem in an Origin-Basis X Tax, *International Tax and Public Finance*, 10, pp. 591-610.
- [37] Bradford D.F. (2004) The X Tax in the World Economy, NBER Working Paper No. 10676.
- [38] Branch B. (2002), The Costs of Bankruptcy: A Review, *International Review of Financial Analysis*, 11, pp. 39-57.
- [39] Brealey R.A. and S.C. Myers (2001), *Principles of Corporate Finance*, 6th edition, McGraw-Hill, New York.
- [40] Brennan M.J. and E. Schwartz (1978), Corporate Income Taxes, Valuation, and the Problem of Optimal Capital Structure, *Journal of Business*, 51, pp. 103-114.
- [41] Brown E.C. (1948), Business-Income Taxation and Investment Incentives, in L.A. Meltzer, E.D. Domar et al. (eds.), *Income, Employment and Public Policy*, Essays in Honor of A.H. Hansen, W.W. Norton & c., New York.
- [42] Bruce D. (2000), Effects of the United States Tax System on Transitions into Self-Employment, *Labour Economics*, 7, pp. 545-574.

- [43] Bruce D. (2002), Taxes and Entrepreneurial Endurance: Evidence from the Self-Employed, *National Tax Journal*, 55, pp. 5-24.
- [44] Bulow J.I. and L.H. Summers (1984), The Taxation of Risky Assets, *Journal of Political Economy*, 92, pp. 20-39.
- [45] Chen C. and R.W. So (2002), Exchange Rate Variability and the Riskiness of US Multinational Firms: Evidence from the Asian Financial Turmoil, *Journal of Multinational Financial Management*, 12, pp. 411-428.
- [46] Cherian J.A. and E. Perotti (2001), Option Pricing and Foreign Investment under Political Risk, *Journal of International Economics*, 55, pp. 359-377.
- [47] Cnossen S. (2000), Taxing Capital Income in the Nordic Countries: A Model for the European Union?, in S. Cnossen (ed.), *Taxing Capital Income in the European Union - Issues and Options for Reform*, Oxford University Press, Oxford.
- [48] Cnossen S. and L. Bovenberg (2001), Fundamental Tax Reform in The Netherlands, *International Tax and Public Finance*, 7, pp. 471-484.
- [49] Coase R.H. (1937), The Nature of the Firm, *Economica*, 4, pp. 386-405.
- [50] Constantinides G.M. (1983), Capital Market Equilibrium with Personal Tax, *Econometrica*, 51, pp. 611-636.
- [51] Cukierman A. (1980), The Effects of Uncertainty on Investment under Risk Neutrality with Endogenous Information, *Journal of Political Economy*, 88, pp. 462-475.
- [52] Cummins J.G., K.A. Hassett and R.G. Hubbard (1994), A Reconsideration of Investment Behavior Using Tax Reforms as Natural Experiments, *Brooking Papers on Economic Activity*, 2, pp. 1-74.
- [53] Cummins J.G., K.A. Hassett and R.G. Hubbard (1995), Have Tax Reforms Affected Investment?, *Tax Policy and the Economy*, 9, pp. 131-149.

- [54] Cummins J.G., K.A. Hassett and R.G. Hubbard (1996), Tax Reforms and Investment: A Cross-Country Comparison, *Journal of Public Economics*, 62, pp. 237-273.
- [55] Desai M.A. (2003), The Divergence between Book Income and Tax Income, in J.M. Poterba (ed.), *Tax Policy and the Economy*, 17, pp. 169-206.
- [56] Desai M.A. (2005), The Degradation of Reported Corporate Profits, *Journal of Economic Perspectives*, 12, pp. 171-192.
- [57] Desai A.M. and F.C. Foley (2004), The Comovement of Returns and Investment within the Multinational Firm, NEBR Working Paper No. 10785.
- [58] Desai M.A., F.C. Foley, and J.R. Jr. Hines (2004), A Multi-national Perspective on Capital Structure Choice and Internal Capital Markets, *Journal of Finance*, 59, pp. 2451-2487.
- [59] Desai M.A. and J.R. Jr. Hines (1999), 'Basket Cases': Tax Incentives and International Joint Venture Participation by American Multinational Firms, *Journal of Public Economics*, 71, pp. 379-402.
- [60] Devereux M.P. (2003), Taxing Risky Investment, CEPR Discussion Paper No. 4053.
- [61] Devereux M.P. and H. Freeman (1991), A General Neutral Profits Tax, *Fiscal Studies*, 12, pp. 1-15.
- [62] Devereux M.P. and R. Griffith (1998), Taxes and the Location of Production: Evidence from a Panel of US Multinationals, *Journal of Public Economics*, 68, pp. 335-367.
- [63] Devereux M.P. and R. Griffith (1999), The Taxation of Discrete Investment Choices, Institute for Fiscal Studies, IFS Working Papers No. 98/16.
- [64] Devereux M.P. and R. Griffith (2002), The Impact of Corporate Taxation on the Location of Capital: A Review, *Swedish Economic Policy Review*, 9, pp. 79-102.
- [65] Devereux M.P., B. Lockwood and M. Redoano (2004), Do Countries Compete over Corporate Tax Rates?, mimeo.

- [66] Devereux M.P. and P.B. Sørensen (2005), The Corporate Income Tax: International Trends and Options for Fundamental Reform, EPRU-Analysis No. 24.
- [67] Dimson E., P. Marsh and M. Staunton (2002), *Triumph of the Optimists*, Princeton University Press, Princeton.
- [68] Dixit A. (1995), Irreversible Investment with Uncertainty and Scale Economies, *Journal of Economics Dynamics and Control*, 19, pp. 327-350.
- [69] Dixit A. and R.S. Pindyck (1994), *Investment under Uncertainty*, Princeton University Press, Princeton.
- [70] Domar E.D. and R.A. Musgrave (1944), Proportional Income Taxation and Risk-taking, *Quarterly Journal of Economics*, 58, pp. 388-422.
- [71] Dotsey M. (1990), The Economic Effects of Production Taxes in a Stochastic Growth Model, *American Economic Review*, 80, pp. 1168-1181.
- [72] Eggert W. and B. Genser (2005), Dual Income Taxation in EU Member Countries, *CESifo DICE Report*, 1/2005, pp. 41-47.
- [73] Eichengreen B. (1990), The Capital Levy in Theory and Practice, in R. Dornbusch and M. Draghi (eds.), *Public Debt Management: Theory and History*, Cambridge University Press, Cambridge, New York and Melbourne.
- [74] Eijffinger S.C.W., H.P. Huizinga and J.J. Lemmen (1998), Short-Term and Long-Term Government Debt and Nonresident Interest Withholding Taxes, *Journal of Public Economics*, 68, pp. 309-334.
- [75] Faccio M. (2006), Politically Connected Firms, *American Economic Review*, 96, pp. 369-386.
- [76] Faig M. and P. Shum (1999), Irreversible Investment and Endogenous Financing: An Evaluation of the Corporate Tax Effects, *Journal of Monetary Economics*, 43, pp. 143-171.
- [77] Fama E.F. and K.R. French (1997), Industry Costs of Equity, *Journal of Financial Economics*, 43, pp. 153-193.

- [78] Fan J.P.H., S. Titman, and G.J. Twite (2003), An International Comparison of Capital Structure and Debt Maturity Choices, AFA 2005 Philadelphia Meetings, EFA 2003 Annual Conference Paper No. 769.
- [79] Fane G. (1987), Neutral Taxation under Uncertainty, *Journal of Public Economics*, 33, pp. 95-105.
- [80] Fehr H. and W. Wiegard (2003), ACE for Germany? Fighting for a Better Tax System, in M. Ahlheim, H.-D. Wenzel and W. Wiegard, *Steuerpolitik - Von der Theorie zur Praxis, Festschrift für Manfred Rose*, Springer-Verlag, Berlin.
- [81] Feldstein M. (1988), Imputing Corporate Tax Liabilities to Individual Shareholders, *National Tax Journal*, 41, pp. 37-59.
- [82] Fisher I. (1937), Income in Theory and Income in Practice, *Econometrica*, 5, pp. 1-55.
- [83] Fisher I. (1939), The Double Taxation of Savings, *American Economic Review*, 29, pp. 16-33.
- [84] Gaddy C. and W.G. Gale (2006), Russia's Flat Tax: Myths and Facts, *CESifo DICE Report*, 1/2006, pp. 45-49.
- [85] Garbarino C. and P.M. Panteghini (2007), Corporate Taxation in Europe: Competitive Pressure and Cooperative Targets, in G.N. Gregoriou and C. Read (eds.), *International Taxation Handbook*, Elsevier, forthcoming.
- [86] Garnaut R. and A. Clunies Ross, (1975), Uncertainty, Risk Aversion and the Taxing of Natural Resource Projects, *Economic Journal*, 85, pp. 272-287.
- [87] Gentry W.M. and R.G. Hubbard (2000), Tax Policy and Entrepreneurial Entry, *American Economic Review*, 80, pp. 283-287.
- [88] Goldstein R., N. Ju and H. Leland (2001), An EBIT-Based Model of Dynamic Capital Structure, *Journal of Business*, 74, pp. 483-512.
- [89] Goolsbee A. (2004), The Impact of the Corporate Income Tax: Evidence from State Organizational Form Data, *Journal of Public Economics*, 88, pp. 2283-2299.

- [90] Gordon R.H. (1986), Taxation of Investment and Savings in a World Economy, *American Economic Review*, 76, pp. 1086-1102.
- [91] Gordon R.H. (1992), Can Capital Income Taxes Survive in Open Economies?, *Journal of Finance*, 47, pp. 1159-1180.
- [92] Gordon R.H. (1998), Can High Personal Tax Rates Encourage Entrepreneurial Activity?, *International Monetary Fund Staff Papers*, 45, pp. 49-80.
- [93] Gordon R.H. (2000), Taxation of Capital Income vs. Labour Income: An Overview, in S. Cnossen (ed.), *Taxing Capital Income in the European Union, Issues and Options for Reform*, Oxford University Press, Oxford.
- [94] Gordon R.H., L. Kalambokidis and J. Slemrod (2004), Do We Now Collect Any Revenue from Taxing Capital Income?, *Journal of Public Economics*, 88, pp. 981-1009.
- [95] Gordon R.H. and J.K. MacKie-Mason (1990), Effects of the Tax Reform Act of 1986 on Corporate Financial Policy and Organizational Form, in J. Slemrod (ed.), *Do Taxes Matter? The Impact of the Tax Reform Act of 1986*, MIT Press, Cambridge, MA, and London.
- [96] Gordon R.H. and J. Slemrod (1988), Do We Collect Any Revenue from Taxing Capital Income?, *Tax Policy and the Economy*, 2, pp. 89-130.
- [97] Gordon R.H. and H.R. Varian (1989), Taxation of Asset Income in the Presence of a World Securities Market, *Journal of International Economics*, 26, pp. 205-226.
- [98] Graetz M.J. (2005), Tax Reform: Time For a Plan C?, *Economists' Voice*, www.bepress.com.
- [99] Graham J.R. (2003), Taxes and Corporate Finance: A Review, *Review of Financial Studies*, 16, pp. 1075-1129.
- [100] Graham J.R. (2004), Taxes and Corporate Finance, in B.E. Eckbo (ed.), *Handbook of Corporate Finance - Empirical Corporate Finance*, Elsevier Science, Amsterdam.

- [101] Graham J.R. and C.R. Harvey (2001), The Theory and Practice of Corporate Finance: Evidence from the Field, *Journal of Financial Economics*, 60, pp. 187-243.
- [102] Graham J.R. and A.L. Tucker (2006), Tax Shelters and Corporate Debt Policy, *Journal of Financial Economics*, 81, pp. 563-594.
- [103] Gravelle J.G. (1995), The Corporate Income Tax: Economic Issues and Policy Options, *National Tax Journal*, 48, pp. 267-277.
- [104] Gravelle J.G. (2005), The 2004 Corporate Tax Revisions as a Spaghetti Western: Good, Bad, and Ugly, *National Tax Journal*, 58, pp. 347-365.
- [105] Green R.C. and E. Talmor (1985), The Structure and Incentive Effects of Corporate Tax Liabilities, *Journal of Finance*, 40, pp. 1095-1114.
- [106] Gregorelli L., P.M. Panteghini and D. Sonedda (2003), La Riforma del 1998 e la Domanda Effettiva di Lavoro, *Politica Economica*, 2/2003, pp. 249-267.
- [107] Gresik T. (2001), The Taxing Task of Taxing Transnationals, *Journal of Economic Literature*, 39, pp. 800-838.
- [108] Griziotti B. (1928), Nuovi Orientamenti nei Sistemi Tributarî, reprinted in *Studi di Scienza delle Finanze e Diritto Finanziario*, 1956, Milano.
- [109] Hagen K.P. and P.B. Sørensen (1998), Taxation of Income from Small Businesses: Taxation Principles and Tax Reforms in the Nordic Countries, in P.B. Sørensen (ed.), *Tax Policy and the Nordic Countries*, Macmillan Press, London.
- [110] Haig R.M. (1921), *The Federal Income Tax*, New York.
- [111] Hall R.E. and A. Rabushka (1995), *The Flat Tax*, Hoover Institution Press, Stanford.
- [112] Harris M. and A. Raviv (1990), The Theory of Capital Structure, *Journal of Finance*, 46, pp. 297-355.

- [113] Harrison J.M. (1985), *Brownian Motion and Stochastic Flow Systems*, John Wiley & Sons, New York.
- [114] Hassett K.A. and G.E. Metcalf (1994), Random Taxes and Continuous Investment, Tufts University Working Paper No. 94-07.
- [115] Hassett K.A. and G.E. Metcalf (1999), Investment with Uncertain Tax Policy: Does Random Tax Policy Discourage Investment?, *Economic Journal*, 109, pp. 372-393.
- [116] Haufler A. and G. Schjelderup (1999), Corporate Taxation, Profit Shifting and the Efficiency of Public Input Provision, *Finanzarchiv*, 56, pp. 481-499.
- [117] Haufler A. and G. Schjelderup (2000), Corporate Tax Systems and Cross Country Profit Shifting, *Oxford Economic Papers*, 52, pp. 306-325.
- [118] Hennessy C.A. and T. Whited (2005), Debt Dynamics, *Journal of Finance*, 60, pp. 1129-1165.
- [119] Hespel A. and M. Mignolet (2000), Tax-Aided Financial Services Companies and the Cost of Capital, *Fiscal Studies*, 21, pp. 349-374.
- [120] Hines J.R. Jr. (1999), Lessons from Behavioral Responses to International Taxation, *National Tax Journal*, 52, pp. 304-322.
- [121] Howitt P. and H.W. Sinn (1989), Gradual Reforms of Capital Income Taxation, *American Economic Review*, 79, pp. 106-124.
- [122] Huizinga H., L. Laeven, and G. Nicodeme (2006), Capital Structure and International Debt Shifting, CEPR Discussion Paper No. 5882.
- [123] IFS Capital Taxes Group (1991), *Equity for Companies: A Corporation Tax for the 1990s*, A Report of the IFS Capital Taxes Group chaired by M. Gammie, The Institute for Fiscal Studies, Commentary 26, London.
- [124] Ingersoll J.E. and S.A. Ross (1992), Waiting to Invest: Investment and Uncertainty, *Journal of Business*, 65, pp. 1-29.

- [125] Isaac J. (1997), A Comment on the Viability of the Allowance for Corporate Equity, *Fiscal Studies*, 18, pp. 303-318.
- [126] Jensen M.C. (1986), Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers, *American Economic Review*, 76, pp. 323-329.
- [127] Jensen M.C. and W. Mecklin (1976), Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure, *Journal of Financial Economics*, 7, pp. 305-360.
- [128] Johansson S.-E. (1969), Income Taxes and Investment Decisions, *Swedish Journal of Economics*, 71, pp. 104-110.
- [129] Jorgenson D.W. (1963), Capital Theory and Investment Behavior (in Topics in Economic Theory), *American Economic Review*, 53, pp. 247-259.
- [130] Jorion P. and W.N. Goetzman (1999), Global Stock Markets in the Twentieth Century, *Journal of Finance*, 54, pp. 953-980.
- [131] Kaldor N. (1955), *An Expenditure Tax*, Unwin University Books, London.
- [132] Kanbur S.M. (1979), Of Risk Taking and the Personal Distribution of Income, *Journal of Political Economy*, 87, pp. 769-797.
- [133] Kanniainen V., S.J. Kari and J. Ylä-Liedenpohja (2005), The Start-Up and Growth Stages in Enterprise Formation: The 'New View' of Dividend Taxation Reconsidered, CESifo Working Paper No. 1476.
- [134] Kanniainen V. and J. Södersten (1994), Cost of Monitoring and Corporate Taxation, *Journal of Public Economics*, 55, pp. 307-321.
- [135] Kanniainen V. and J. Södersten (1995), The Importance of Reporting Conventions for the Theory of Corporate Taxation, *Journal of Public Economics*, 57, pp. 417-430.
- [136] Keen M. (1993), The Welfare Economics of Tax Co-ordination in the European Community: A Survey, *Fiscal Studies*, 14, pp. 15-36.

- [137] Keen M. (2003), Tax Reform in Italy, *Tax Notes International*, February, pp. 665-682.
- [138] Keen M. and J. King (2002), The Croatian Profit Tax: An ACE in Practice, *Fiscal Studies*, 23, pp. 401-418.
- [139] Klapper L., L. Laeven and R. Rajan (2006), Entry Regulation as a Barrier to Entrepreneurship, *Journal of Financial Economics*, 82, pp. 591-629.
- [140] Klemm A. (2006), Allowances for Corporate Equity in Practice, IMF Working Paper No. 06/259.
- [141] Kraus A. and R.H. Litzenger (1973), A State-Preference Model of Optimal Financial Leverage, *Journal of Finance*, 28, pp. 911-922.
- [142] Lee K. (2004), Taxation of Mobile Factors as Insurance under Uncertainty, *Scandinavian Journal of Economics*, 106, pp. 253-271.
- [143] Lee Y. and R.H. Gordon (2005), Tax Structure and Economic Growth, *Journal of Public Economics*, 89, pp. 1027-1043.
- [144] Leland H.E. (1994), Corporate Debt Value, Bond Covenants, and Optimal Capital Structure, *Journal of Finance*, 49, pp. 1213-1252.
- [145] Lockwood B. (2001), Tax Competition and Tax Co-ordination under Destination and Origin Principles: A Synthesis, *Journal of Public Economics*, 81, pp. 279-319.
- [146] Lockwood B., D. de Meza and G.D. Myles (1994), When Are Origin and Destination Regimes Equivalent?, *International Tax and Public Finance*, 1, pp. 5-24.
- [147] Lucas R.E. (1976), Econometric Policy Evaluation: A Critique, in K. Brunner and A.H. Meltzer (eds.), *The Phillips Curve and the Labor Markets*, North-Holland, Amsterdam.
- [148] Lund D. (2002a), Petroleum Tax Reform Proposals in Norway and Denmark, *Energy Journal*, 23, pp. 37-56.

- [149] Lund D. (2002b), Taxation, Uncertainty, and the Cost of Equity, *International Tax and Public Finance*, 9, pp. 483-503.
- [150] Mackie-Mason J.K. (1990), Some Nonlinear Tax Effects on Asset Values and Investment Decisions under Uncertainty, *Journal of Public Economics*, 42, pp. 301-327.
- [151] Mackie-Mason J.K. and R.H. Gordon (1997), How Much Do Taxes Discourage Incorporation?, *Journal of Finance*, 52, pp. 477-505.
- [152] Majd S. and S. Myers (1985), Valuing the Government's Tax Claim on Risky Corporate Assets, NBER Working Paper No. 1553.
- [153] Majd S. and S. Myers (1987), Tax Asymmetries and Corporate Income Tax Reform, in M. Feldstein (ed.), *Taxes and Capital Formation*, A National Bureau of Economic Research Project Report, University of Chicago Press, Chicago and London.
- [154] Marceau N. and M. Smart (2003), Corporate Lobbying and Commitment Failure in Capital Taxation, *American Economic Review*, 93, pp. 241-251.
- [155] Markusen J. (2002), *Multinational Firms and the Theory of International Trade*, MIT Press, Cambridge, MA.
- [156] Masini C. (1979), *Lavoro e Risparmio*, UTET, Torino.
- [157] McDonald R. (2000), Real Options and Rules of Thumb in Capital Budgeting, in M.J. Brennan and L. Trigeorgis (eds.), *Project Flexibility, Agency, and Competition, New Developments in the Theory and Application of Real Options*, Oxford University Press, New York and Oxford.
- [158] McDonald R. and D. Siegel (1985), Investment and the Valuation of Firms When There is an Option to Shut Down, *International Economic Review*, 26, pp. 331-349.
- [159] McDonald R. and D. Siegel (1986), The Value of Waiting to Invest, *Quarterly Journal of Economics*, 101, pp. 707-728.

- [160] McKenzie K.J. (1994), The Implications of Risk and Irreversibility for the Measurement of Marginal Effective Tax Rates on Capital, *Canadian Journal of Economics*, 27, pp. 604-619.
- [161] McLure C.E. Jr. (1979), *Must Corporate Income Be Taxed Twice?*, The Brookings Institution, Washington, DC.
- [162] McLure C.E. Jr. (1987), Reflections on Recent Proposals to Rationalize the U.S. Income Tax, in H.M. van de Kar and B.L. Wolfe (eds.), *The Relevance of Public Finance for Policy-Making: Proceedings of the 41st Congress of the International Institute of Public Finance*, pp. 97-112, IIPF, Madrid.
- [163] McLure C.E. Jr. (1992), Substituting Consumption-Based Direct Taxation for Income Taxes as the International Norm, *National Tax Journal*, 45, pp. 145-154.
- [164] McLure C.E. Jr. and G.R. Zodrow (1998), The Economic Case for Foreign Tax Credits for Cash Flow Taxes, *National Tax Journal*, 51, pp. 1-22.
- [165] Meade Committee (1978), *The Structure and Reform of Direct Taxation*, George Allen and Unwin, London.
- [166] Merton (1990), *Continuous-Time Finance*, Basil Blackwell, Cambridge, MA.
- [167] Mill J.S. (1848), *Principles of Political Economy with Some of Their Applications to Social Philosophy*, Charles C. Little & James Brown, Boston, available at <http://books.google.com>.
- [168] Miller M.H. (1977), Debt and Taxes, *Journal of Finance*, 32, pp. 261-275.
- [169] Miller M.H. and F. Modigliani (1961), Dividend Policy, Growth and the Value of the Firm, *Journal of Business*, 34, pp. 411-433.
- [170] Mills L.F. and K.J. Newberry (2004), Do Foreign Multinational's Tax Incentives Influence Their U.S. Income Reporting and Debt Policy?, *National Tax Journal*, 57, pp. 89-107.

- [171] Mintz J.M. (1995), The Corporation Tax: A Survey, *Fiscal Studies*, 16, pp. 23-68.
- [172] Mintz J.M. (2000), Reforming the Tax Cut Agenda, *Canadian Tax Journal*, 48, pp. 689-709.
- [173] Mintz J.M. and M. Smart (2004), Income Shifting, Investment, and Tax Competition: Theory and Evidence from Provincial Taxation in Canada, *Journal of Public Economics*, 88, pp. 1149-1168.
- [174] Mintz J.M. and A.J. Weichenrieder (2005), Taxation and the Financial Structure of German Outbound FDI, CESifo Working Paper No. 1612.
- [175] Mitchell D.J. (2005), Eastern Europe's Flat Tax Revolution, *Tax Notes International*, March, pp. 989-990.
- [176] Modigliani F. and M.H. Miller (1958), The Cost of Capital, Corporation Finance, and the Theory of Investment, *American Economic Review*, 48, pp. 261-297.
- [177] Modigliani F. and M.H. Miller (1963), Corporate Income Taxes and the Cost of Capital: A Correction, *American Economic Review*, 53, pp. 433-443.
- [178] Myers S.C. (1977), Determinants of Corporate Borrowing, *Journal of Financial Economics*, 3, pp. 799-819.
- [179] Nickell S.J. (1977), The Influence of Uncertainty on Investment, *Economic Journal*, 87, pp. 47-70.
- [180] Nickell S.J. (1978), *The Investment Decisions of Firms*, Cambridge University Press.
- [181] Niemann R. (1999), Neutral Taxation under Uncertainty - A Real Option Approach, *Finanzarchiv*, 56, pp. 51-66.
- [182] Niemann R. (2004), Tax Rate Uncertainty, Investment Decisions, and Tax Neutrality, *International Tax and Public Finance*, 11, pp. 265-281.
- [183] Niemann R. (2006), The Impact of Tax Uncertainty on Irreversible Investment, arqus Discussion Paper No. 21.

- [184] Nitti F. (1912), *Principi di Scienza delle Finanze*, Piero, Napoli.
- [185] Øksendal B. (1998), *Stochastic Differential Equations*, 5th edition, Springer, Berlin.
- [186] Panteghini P.M. (1995), Corporate Taxation and Monopoly: The Effects of an Announced Reform, *RISEC International Review of Economics and Business*, 62, pp. 69-91.
- [187] Panteghini P.M. (2000), Tax Evasion and Entrepreneurial Flexibility, *Public Finance Review*, 28, pp. 199-209.
- [188] Panteghini P.M. (2001a), On Corporate Tax Asymmetries and Neutrality, *German Economic Review*, 2, pp. 269-286.
- [189] Panteghini P.M. (2001b), Dual Income Taxation: The Choice of the Imputed Rate of Return, *Finnish Economic Papers*, 14, pp. 5-13.
- [190] Panteghini P.M. (2001c), Corporate Tax Asymmetries under Investment Irreversibility, *Finanzarchiv*, 58, pp. 207-226.
- [191] Panteghini P.M. (2002), Endogenous Timing and the Taxation of Discrete Investment Choices, CESifo Working Paper No. 723.
- [192] Panteghini P.M. (2004a), Wide versus Narrow Tax Bases under Optimal Investment Timing, *Finanzarchiv*, 60, pp. 482-493.
- [193] Panteghini P.M. (2004b), Neutrality Properties of Firm Taxation under Default Risk, *Economics Bulletin*, 8/4, pp. 1-7.
- [194] Panteghini P.M. (2005), Asymmetric Taxation under Incremental and Sequential Investment, *Journal of Public Economic Theory*, 7, pp. 761-779.
- [195] Panteghini P.M. (2006a), The Capital Structure of Multinational Companies under Tax Competition, CESifo Working Paper No. 1721.
- [196] Panteghini P.M. (2006b), S-Based Taxation under Default Risk, *Journal of Public Economics*, 90, pp. 1923-1937.

- [197] Panteghini P.M. (2007), Interest Deductibility under Default Risk and the Unfavorable Tax Treatment of Investment Costs: A Simple Explanation, *Economics Letters*, forthcoming.
- [198] Panteghini P.M. and G. Schjelderup (2006), To Invest or not to Invest: A Real Options Approach to FDI and Tax Competition, *International Tax and Public Finance*, 13, pp. 643-660.
- [199] Panteghini P.M. and F. Venturi (2005), Italy's Tax System: Toward a European Model?, *Tax Notes International*, May, pp. 429-440.
- [200] Pennings E. (2000), Taxes and Stimuli of Investment Under Uncertainty, *European Economic Review*, 44, pp. 383-391.
- [201] Pindyck R.S. (1988), Irreversible Investment, Capacity Choice, and the Value of the Firm, *American Economic Review*, 78, pp. 969-985.
- [202] Pindyck R.S. (2004), Mandatory Unbundling and Irreversible Investment in Telecom Networks, NBER Working Paper No. 10287.
- [203] President's Advisory Panel on Tax Reform (2005), *Simple, Fair, and Pro-Growth: Proposals to Fix America's Tax System*, Washington D.C.
- [204] Rizzi D. and M. Zanette (1998), *L'IRAP e l'Impresa*, Regione Veneto.
- [205] Rodrik D. (1997), *Has Globalization Gone Too Far?*, Institute for International Economics, Washington D.C.
- [206] Romanov D. (2006), The Corporation as a Tax Shelter: Evidence from Recent Israeli Tax Changes, *Journal of Public Economics*, 90, pp. 1939-1954.
- [207] Rossi G. (2003), *Il Conflitto Epidemico*, Adelphi, Milano.
- [208] Rugman A.M. and J. Li (eds.) (2002), *Real Options and International Investment*, Edward Elgar, Cheltenham and Northampton.

- [209] Salanié B. (2003), *The Economics of Taxation*, MIT Press, Cambridge, MA, and London.
- [210] Samuelson P.A. (1964), Tax Deductibility of Economic Depreciation to Insure Invariant Valuations, *Journal of Political Economy*, 72, pp. 604-606.
- [211] Sandmo A. (1979), A Note on the Neutrality of the Cash Flow Corporation Tax, *Economics Letters*, 4, pp. 173-176.
- [212] Sarkar S. (2000), On the Investment-Uncertainty Relationship in a Real Options Model, *Journal of Economic Dynamics and Control*, 24, pp. 219-225.
- [213] Schanz G. (1896), Der Einkommensbegriff und die Einkommensteuergesetze, *Finanzarchiv*, 13, pp. 1-87.
- [214] Scott J.H. Jr. (1976), A Theory of Optimal Capital Structure, *Bell Journal of Economics*, 7, pp. 33-54.
- [215] Seidman L.S. (1997), *The USA Tax: A Progressive Consumption Tax*, The MIT Press, Cambridge, MA.
- [216] Shleifer A. and R.W. Vishny (1994), Politicians and Firms, *Quarterly Journal of Economics*, 109, pp. 995-1025.
- [217] Shome P. and C. Schutte (1993), Cash-Flow Tax, *IMF Staff Papers*, 40, pp. 638-662.
- [218] Simons H.C. (1938), *Personal Income Taxation: The Definition of Income as a Problem of Fiscal Policy*, University of Chicago Press, Chicago.
- [219] Sinn H.W. (1987), *Capital Income Taxation and Resource Allocation*, North-Holland, Amsterdam.
- [220] Sinn H.W. (2003), *The New Systems Competition*, Blackwell Publishing, Oxford.
- [221] Slemrod J. (2004), Are Corporate Tax Rates, or Countries, Converging?, *Journal of Public Economics*, 88, pp. 1169-1186.
- [222] Slemrod J. and J. Bakija (2004), *Taxing Ourselves - A Citizen's Guide to the Debate over Taxes*, MIT Press, Cambridge, MA.

- [223] Smit H.T.J. and L. Trigeorgis (2004), *Strategic Investment, Real Options and Games*, Princeton University Press, Princeton and Oxford.
- [224] Smith C.W. Jr. and J.B. Warner (1979), On Financial Contracting: An Analysis of Bond Covenants, *Journal of Financial Economics*, 7, pp. 117-161.
- [225] Sørensen P.B. (1994), Some Old and New Issues in the Theory of Corporate Income Taxation, *Finanzarchiv*, 51, pp. 425-471.
- [226] Sørensen P.B. (1995), Changing Views of the Corporate Income Tax, *National Tax Journal*, 48, pp. 279-294.
- [227] Sørensen P.B. (1998), Recent Innovations in Nordic Tax Policy: From Global Income Tax to the Dual Income Tax, in P.B. Sørensen (ed.), *Tax Policy and the Nordic Countries*, Macmillan Press, London.
- [228] Sørensen P.B. (2005a), Neutral Taxation of Shareholder Income, *International Tax and Public Finance*, 12, pp. 777-801.
- [229] Sørensen P.B. (2005b), Dual Income Taxation: Why and Now?, *Finanzarchiv*, 61, pp. 559-586.
- [230] Sørensen P.B. (2006), Can Capital Income Taxes Survive? And Should They?, CESifo Working Paper No. 1793.
- [231] Stamp J.C. (1917), The Taxation of Excess Profits Abroad, *Economic Journal*, 27, pp. 26-37.
- [232] Stiglitz J.E. (1969), The Effects of Income, Wealth, and Capital Gains Taxation on Risk-Taking, *Quarterly Journal of Economics*, 83, pp. 263-283.
- [233] Stiglitz J.E. (1973), Taxation, Corporate Financial Policy, and the Cost of Capital, *Journal of Public Economics*, 2, pp. 1-34.
- [234] Studenski P. (1940), Toward a Theory of Business Taxation, *Journal of Political Economy*, 58, pp. 621-654.
- [235] Tirole J. (2006), *The Theory of Corporate Finance*, Princeton University Press, Princeton and Oxford.

- [236] Trigeorgis L. (1996), *Real Options, Managerial Flexibility and Strategy in Resource Allocation*, MIT Press, Cambridge, MA.
- [237] U.S. Treasury Department (1992), *Integration of the Individual and Corporate Tax System: Taxing Business Income Once*, Washington D.C.
- [238] van Wijnbergen S. and A. Estache (1999), Evaluating the Minimum Asset Tax on Corporations: An Option Pricing Approach, *Journal of Public Economics*, 71, pp. 75-96.
- [239] Vickrey W. (1939), Averaging of Income for Income-Tax Purposes, *Journal of Political Economy*, 47, pp. 379-397.
- [240] Wilson J.D. (1999), Theories of Tax Competition, *National Tax Journal*, 52, pp. 269-304.
- [241] Wilson J.D. and D.E. Wildasin (2004), Capital Tax Competition: Bane or Boon?, *Journal of Public Economics*, 88, pp. 1065-1091.
- [242] Zee H.H. (2006), A Superior Hybrid Cash-Flow Tax on Corporations, IMF Working Paper No. 06/117.
- [243] Zhang L. (1997), Neutrality and Efficiency of Petroleum Revenue Tax: A Theoretical Assessment, *Economic Journal*, 107, pp. 1106-1120.
- [244] Zodrow G. (2003), Alternative Forms of Direct Consumption Taxes: The Croatian Approach, in M. Ahlheim, H.-D. Wenzel and W. Wiegard (eds.), *Tax Policy: Theoretical Foundations and Practical Applications*, Springer.
- [245] Zodrow G. (2006), Capital Mobility and Source-Based Taxation of Capital Income in Small Open Economies, *International Tax and Public Finance*, 13, pp. 269-294.

Index

- Abel, 37
- Allowance for Corporate Equity (ACE), 126, 129–132, 136–139, 141, 143–146, 148, 151, 157–160
- Aizenman, 96, 169
- Altshuler, 72
- Alvarez, 13, 168
- Auerbach, 15, 109, 111–113, 115, 162, 166, 168
- Backus, 153
- Bakija, 112, 120
- Ball, 13, 161, 166
- Becker, 120
- Berk, 154–156
- Bernanke, 8, 9, 154
- Bird, 122
- Bizer, 168
- Boadway, 151, 169
- Bond, 132, 135, 136, 138, 151–153, 160–162, 165, 177, 179–181, 185–187
- Bonzani, 111
- Bordignon, 124, 125
- Bovenberg, 112
- Bowers, 13, 161, 166
- Bradford, 112, 116, 119, 120
- Branch, 61, 62
- Brealey, 81
- Brennan, 65
- Brown, 11, 12, 25, 26, 113, 157
- Bruce D., 16, 28, 30
- Bruce N., 151, 169
- Bulow, 172
- Business Enterprise Tax (BET), 122
- Business risk, 27, 30, 41, 45, 72, 73
- Capital gains, 111, 128
- Capital risk, 151, 172

- Cash-flow tax, 113, 116–119, 129, 132, 133, 165, 184
 R-based, 114, 115, 120, 146, 177
 S-based, 115, 177
- Comprehensive business income tax (CBIT), 121, 122, 124, 136–139, 141, 143–146
- Chen, 96
- Cherian, 103
- Clunies Ross, 152, 163, 167
- Cnossen, 112, 127
- Coase, 43
- Compound option, 5, 173
- Constantinides, 112
- Consumption income tax, 113
- Cukierman, 6
- Cummins, 169
- de Meza, 116
- Debt
 capital structure, 57, 78, 82, 146
 convertible debt, 203
 coupon, 62, 64, 65, 69–71, 73–75, 78, 80–82, 87, 178, 180
 default costs, 57, 59, 61, 64, 72, 179
 leverage, 61, 62, 71, 75, 81, 82, 122, 132
 protected debt, 65, 66, 68, 74, 80, 86, 184, 188, 197
 unprotected debt, 65, 69–71, 74, 80, 81, 86, 179, 184, 185, 188, 198
- Default (put) option, 65, 70, 185, 188
- Default risk, 57, 61, 62, 67, 72, 152, 156, 177
 premium, 180, 182, 185
- Depreciation allowances, 23, 112, 117, 123, 132
- Desai, 72, 73, 75, 77, 81, 97, 137
- Devereux, 100, 113, 116, 122, 129, 130, 132, 135, 137, 138, 151–153, 160–162, 165, 177, 179–181, 184–187
- Dimson, 32, 145
- Dividends, 15, 44, 111, 114, 115, 128
- Dixit, 3, 5, 7, 8, 17, 19, 22, 36–38, 45, 173, 174
- Domar, 15, 16, 168, 174
- Dotsey, 162
- Dual Income Tax (DIT), 131, 132, 146
 Italian DIT, 130, 131
 Nordic DIT, 126, 127, 129, 130
- Earning Before Interest and Taxes (EBIT), 64, 71, 73, 74, 80, 178
- Eggert, 131, 132
- Eichengreen, 102
- Eijffinger, 23
- Estache, 168
- European Court of Justice (ECJ), 125
- Faccio, 102
- Faig, 13
- Fama, 145
- Fan, 72
- Fane, 151, 153, 158, 160

- Fehr, 132
 Feldstein, 50, 113
 Fisher, 110, 119
 Flat tax, 116, 117
 Foley, 72, 73, 77, 81, 97
 Foreign Direct Investment (FDI),
 91–93, 95–101, 105, 106,
 137, 138, 144, 146
 Foresi, 153
 Freeman, 129, 130, 179
 French, 145
 Fuest, 120

 Gaddy, 117
 Gale, 117
 Garbarino, 76, 101
 Garnaut, 152, 163, 167
 Genser, 131, 132
 Gentry, 16
 Giannini, 124, 125
 Goetzman, 32, 145
 Goldstein, 62, 64, 71
 Goolsbee, 44
 Gordon, 16, 42–45, 50, 97, 101,
 119, 120, 122
 Graetz, 111
 Graham, 4, 71, 72, 178
 Gravelle, 43, 121
 Green, 168
 Gregorelli, 125
 Gresik, 92
 Griffith, 137, 138
 Griziotti, 42
 Growth and Investment Tax (GIT),
 110, 111
 Grubert, 72

 Hagen, 127
 Haig, 109
 Hall, 116, 117

 Harris, 62
 Harrison, 31, 142
 Harvey, 178
 Hassett, 169
 Haufler, 77
 Hennessy, 64
 Hespel, 72
 Hines, 72, 81, 137
 Howitt, 120
 Hubbard, 16, 169
 Huizinga, 23, 72

 IFS Capital Taxes Group, 129
 Imputation rate, 126, 133, 138,
 139, 141, 151, 152, 158–
 160, 163, 164, 166–168,
 170–172, 174, 175
 Interest Adjusted Income
 Tax (IAIT), 152
 Imputation system
 R-based, 177, 178, 187–189
 S-based, 177–180, 183–185,
 188, 189
 Inflation, 112, 130, 151
 Ingersoll, 154
 Interest rate
 deductibility, 57, 59–61, 63,
 78, 121, 124, 146, 177–
 179
 risk-free, 7, 16, 19, 20, 64,
 73, 129, 137, 145, 151,
 163, 178, 182, 187
 Intuitus personae, 41
 Imposta Regionale sulle Attiv-
 ità Produttive (IRAP),
 121–126, 132
 Isaac, 162

 Jensen, 62
 Johansson, 11, 13, 26, 166

- Johansson-Samuelson Theorem, 13
- Jorgenson, 58
- Jorion, 32, 145
- Ju, 62, 64, 71
- Judd, 168
- Kalambokidis, 120
- Kaldor, 110
- Kanbur, 16
- Kannianen, 13, 17, 62, 168
- Kari, 17
- Keen, 77, 131, 177
- Klapper, 46
- Klemm, 132
- Laeven, 46, 72
- Lee K., 97
- Lee Y., 16, 101
- Leland, 62, 64, 65, 69–71
- Lemmen, 23
- Li, 91
- Limited liability, 41, 45, 47, 50
- Litzenberger, 62
- Lock-in effect, 17, 112
- Lockwood, 100, 116
- Lucas, 162
- Lund, 152, 157, 163
- MacKie-Mason, 13, 42–45, 50
- Majd, 162, 168, 174
- Marceau, 102, 103, 106
- Marion, 96
- Markusen, 96, 99
- Marsh, 32, 145
- Masini, 117
- McDonald, 4, 5, 64
- McKenzie, 13
- McLure, 50, 110, 113, 118, 119
- Meade, 113–115
- Metcalf, 169
- Mignolet, 72
- Mill, 110
- Miller, 57, 59–61, 70, 155, 158, 159
- Mills, 72
- Mintz, 43, 72, 102, 162
- Mitchell, 117
- Modigliani, 57, 59–61, 70, 155, 158, 159
- Multinational company (MNC), 57, 72–82, 85, 86, 93, 94, 103–105, 136–150
- Musgrave, 15, 16, 168, 174
- Myers, 62, 70, 81, 162, 168, 174
- Myles, 116
- Neutrality
 - financial neutrality, 113, 124, 159, 178, 184, 189
 - organizational neutrality, 50, 51, 113
 - real neutrality, 11, 12, 25, 26, 60, 117, 118, 124, 130, 133, 136–138, 141, 151–153, 156–161, 164–167, 169–174, 178, 183, 184, 186–188
- Newberry, 72
- Nickell, 162, 168
- Nicodeme, 72
- Niemann, 12, 13, 25, 169
- Normal income, 111, 126, 130, 132, 135, 137, 144, 146
- Øksendal, 35
- Option value, 4, 12, 13, 147, 173
- Option value multiple, 22, 140

- Panteghini, 12, 25, 72, 76, 77,
92, 97–101, 111, 124,
125, 132, 138, 139, 146,
152, 160, 167, 168, 172–
174, 179, 187
- Pennings, 13
- Perotti, 103
- Petroleum Revenue Tax, 13, 14
- Pindyck, 3, 5, 7, 8, 17, 19, 22,
36–38, 45, 103, 169, 174
- Policy uncertainty
asymmetric taxation, 168,
169, 171
capital levy problem, 91,
101, 103, 105, 106
commitment failure, 162
- Prepayment option, 155, 156,
159
- President's Advisory Panel on
Tax Reform, 110, 111
- Progressive taxation, 16
- Government's put option, 168
- Rabushka, 116, 117
- Rajan, 46
- Raviv, 62
- Real options, 3, 4
growth option, 4
option to abandon, 3, 10
option to build, 3
option to delay, 3
option to expand, 92, 93,
95, 174
option to incorporate, 17,
45, 47–49, 53
option to switch, 4
real put option, 10, 27, 47
- Redoano, 100
- Residence Principle, 42, 94, 118
- Resource Rent Tax, 152, 163
- Retail sales tax, 113
- Risk of expropriation, 78, 79,
85
- Rizzi, 125
- Rodrik, 97
- Romanov, 44
- Ross, 154
- Rossi, 63
- Rugman, 91
- Södersten, 63, 168
- Sørensen, 63, 101, 113, 116, 122,
127, 129, 135
- Salanié, 110
- Samuelson, 13
- Sandmo, 162
- Sarkar, 31
- Schanz, 109
- Schanz-Haig-Simons base (S-H-
S), 110, 111, 119–121,
125, 136
- Schjelderup, 77, 92, 97–99, 101
- Schutte, 119, 120
- Schwartz, 65
- Scott, 62
- Seidman, 123
- Shleifer, 102
- Shome, 119, 120
- Shum, 13
- Siegel, 5, 64
- Simons, 109
- Simplified Income Tax (SIT),
110, 111
- Single Business Tax (SBT), 122
- Sinn, 13, 118, 120
- Slemrod, 43, 101, 112, 120
- Smart, 72, 102, 103, 106
- Smit, 6, 11
- Smith, 65
- So, 96

- Sonedda, 125
 Source Principle, 77, 94
 Stamp, 126
 Staunton, 32, 145
 Stiglitz, 13, 16, 60
 Stochastic process
 geometric Brownian motion,
 18, 19, 33–35, 37, 64,
 73, 139, 169, 178
 Markov property, 34, 142
 Poisson process, 45, 74, 169,
 172
 random walk, 19, 33, 34
 Studenski, 42, 43, 122
 Summers, 172

 Talmor, 168
 Tax asymmetry, 165, 168
 Tax avoidance
 Controlled-Foreign-Company,
 77
 income shifting, 51, 72, 74,
 78, 80, 92, 146, 178
 thin capitalization, 76
 Tax competition, 92, 97, 98, 100,
 101, 118, 145
 Telmer, 153
 Tirole, 63
 Titman, 72
 Trigeorgis, 3, 5, 6, 11
 Tucker, 72
 Twite, 72

 US Treasury Department, 121,
 122

 Value-added tax (VAT), 113,
 123–125
 van Wijnbergen, 167, 168
 Varian, 97

 Venture capital (VC), 202
 Venturi, 111, 132
 Vickrey, 119
 Vishny, 102

 Warner, 65
 Weichenrieder, 72
 Whited, 64
 Wiegard, 132
 Wildasin, 92
 Wilson, 92

 X tax, 116, 117

 Ylä-Liedenpohja, 17

 Zanette, 125
 Zee, 115, 116, 119, 161, 177
 Zhang, 13
 Zodrow, 116, 118, 119