

# Tax Competition and Fiscal Federalism:

## Lecture Content

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## Chapter 1: A Basic Model of Tax Competition Among Countries

1. Main Assumptions
2. Mobility and Tax Externalities
3. Tax Nash Equilibrium
4. Some Further Results

*Complement 1 – Is the corporate income tax ultimately borne by wages?*

## Chapter 2: Some Extensions of the Basic Model of Tax Competition

1. Tax Competition when Countries are Heterogeneous
2. Fiscal Competition over Taxes and Public Inputs
3. Tax Competition as a Means to Tame the Leviathan
4. Tax Competition and Time Inconsistency

*Complement 2 - Decentralized Taxation and the Size of Government:  
Evidence from Swiss State and Local Governments (Feld et al., 2010)*

## Chapter 3 : Are Foreign Direct Investments Elastic to Corporate Income Taxation (CIT)?

1. The Different Corporate Income Tax Measures
2. The Main Determinants of Location of FDI (readings)
3. The Effects of CIT on the Location of FDI in OECD Countries
4. Public Infrastructures and personal income taxation also matter!

*Complement 3 – Are Developing Countries also involved in International Tax Competition?*

*Complement 4 – Are Professional Soccer Players sensitive to Personal income taxation?*

## Chapter 4 : Tax Competition and Trade Integration

1. Some Insights into the New Economic Geography
2. Economic Integration and Tax Competition: A non-linear Relationships
3. Does Trade Integration Cancel the Advantage of Large Domestic markets? Some Empirical Evidence

## Chapter 5: Do Countries Mimic Each other When Setting Their Tax Rates?

1. Estimating Fiscal Reaction Functions: Some specific Issues
2. Tax Competition versus Yardstick Competition
3. Tax Mimicking in OECD and EU Countries
4. Tax Mimicking in Developing Countries

## Chapter 6: Tax Planning and Profit Shifting of Multinational Firms (MNFs)

1. «Agressive» Tax Planning and Tax Evasion: How Much does it Cost to Countries?
2. The different Strategies used by MFs to Shift Profits to Low Tax Jurisdictions
3. Digitalization and Profit Shifting: How the GAFAs can escape from paying Taxes?
4. The Base Erosion and Profit Shifting (BEPS) Programm of the OECD

*Complement 5 – Are Developing Countries more Vulnerable to Agressive Tax Planning than Developped Countries?*

## Chapter 7: Tax Havens

1. What is a Tax Haven?
2. Tax Havens Are not only Paradisiac Islands
3. “Special Purpose Vehicules” and Foreign Direct Investment: In Search of the Ultimate Investors
4. Private Wealth located in Tax Havens: Are Inequalities in OECD Countries Substancially Under-Estimated?