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- ● Précis tel qu'il apparaît dans le document.
- ■ Précis écrit ou adapté par l'équipe du Bulletin de veille.

CANADA

FRASER INSTITUTE

David R. Henderson, *How Canada Could Take Advantage of Changes to US Tax Policy*, 17 janvier 2013, 3 pages.
http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/how-changes-in-US-tax-policy-will-affect-canada.pdf

Les conséquences pour le Canada des récentes modifications aux taux d'imposition des États-Unis.

● The latest increase in tax rates on high-income people in the United States that Congress and President Obama agreed to earlier this month gives the United States one of the most steeply progressive federal income tax systems in the G7 countries. That is, the income tax rates are much higher for high-income people than for low-income people. But even given those increases, two things are clear: for at least the next few years, and probably the next decade, American individuals and couples will still be more lightly taxed than Canadians, and American corporations will be much more heavily taxed than Canadian corporations. Apart from these two broad generalizations, there are some interesting differences between the two countries on the estate (or death) tax and the taxation of dividends and capital gains.

Jason Clemens et Niels Veldhuis, *The State of Ontario's Indebtedness, Warning Signs to Act*, 31 janvier 2013, 66 pages.
http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/state-of-ontarios-indebtedness.pdf

Analyses de la dette ontarienne.

● The essays collected for this publication are designed to provide readers and particularly those in Ontario a better sense of where the province's debt stands today, the expectations for the future, and warnings about the likely costs of inaction. Part of the motivation for this publication was the lack of genuine response to the much-heralded report of the Commission on the Reform of Ontario's Public Services, or what became known as the Drummond Report, named after the chair of the commission, Donald Drummond. Simply put, the conclusions of the Drummond Report should have been a wake-up call for the Ontario Government regarding the immediate need for reform of the province's spending. Instead, the government has chosen to try to simply slow the rate of growth in spending over the next few years without any serious reform.

CANADIAN TAX FOUNDATION

John Lester, « Benefit-Cost Analysis of R & D Support Programs », *Revue fiscale canadienne*, vol. 60, numéro 4, 2012, p. 793, 44 pages.
http://www.fcf-ctf.ca/ctfweb/CMDownload.aspx?ContentKey=627262ae-a1ab-45b0-9248-251ceaf8af13&ContentItemKey=53f6337a-c6d1-45ca-8109-23d4742d94b8

Les crédits remboursables de RS&DE et le Programme d'aide à la recherche industrielle coûtent plus cher que les avantages qu'ils procurent.

● Étant donné que les connaissances obtenues grâce aux dépenses privées pour la recherche et le développement (R-D) produisent des avantages pour la société et pour l'entreprise qui effectue la recherche, il semble donc logique de croire que l'intervention gouvernementale pour encourager la R-D est une bonne chose. Mais intervenir sur le marché coûte cher et ces coûts peuvent dépasser les avantages dérivés de la R-D supplémentaire. Cet article traite d'une approche visant à évaluer l'avantage économique net découlant des programmes de soutien à la R-D et présente les résultats pour deux programmes fédéraux : le crédit d'impôt pour la recherche scientifique et le développement expérimental (RS&DE) et le Programme d'aide à la recherche industrielle (PARI). L'approche relative au rapport avantage-coût utilisée dans cet article calcule l'incidence des subventions à la R-D sur le revenu réel en prenant en compte l'avantage créé par les retombées de la connaissance produites par la R-D induite, le coût du financement des subventions avec les impôts qui nuisent inévitablement à la performance économique, le coût de détourner des ressources de leurs utilisations établies par le marché, et les coûts d'administration et de conformité. Le crédit pour la RS&DE se compose de deux éléments : un crédit ordinaire de 20 % et un crédit majoré remboursable de 35 % pour les plus petites entreprises sous contrôle canadien. Le crédit ordinaire produit un avantage économique net, mais le crédit majoré échoue au test du rapport avantage-coût, en raison des coûts de conformité plus élevés et d'un taux plus élevé de subvention. Le PARI échoue également au test du rapport avantage-coût, en dépit de l'hypothèse voulant que la R-D financée par le PARI produise des retombées plus abondantes que la R-D financée par le crédit d'impôt. Les raisons de cet échec seraient dues au coût élevé d'administration et de conformité du programme. Les recommandations en matière de politique fiscale découlant de l'analyse dans cet article sont que le crédit d'impôt majoré pour la RS&DE devrait être aligné sur un taux de crédit ordinaire inchangé et que le modèle de PARI, qui consiste à fournir aux entreprises un nombre substantiel de conseils personnalisés et d'imposer des exigences de déclaration relativement lourdes, devrait être revu afin de réduire les coûts. Le budget fédéral de 2012 a adopté une approche différente : le taux de crédit ordinaire a été réduit à 15 % et le financement du PARI a été doublé sans aucun changement à la structure du programme. Contrairement aux recommandations en matière de politique fiscale faites dans cet article, ces changements réduiront l'avantage net du crédit d'impôt pour la RS&DE et le PARI. En particulier, s'il n'y a aucun changement à la structure du programme, le financement supplémentaire du PARI fera augmenter sensiblement la perte nette du programme.

Werner Antweiler et Sumeet Gulati, « Policy Forum: Reducing the Environmental Impact of Transportation – British Columbia's Tax Policy Initiatives », *Revue fiscale canadienne*, vol. 60, numéro 4, 2012, p. 869, 12 pages.
http://www.fcf-ctf.ca/ctfweb/CMDownload.aspx?ContentKey=627262ae-a1ab-45b0-9248-251ceaf8af13&ContentItemKey=dc2be3d0-fe14-4f46-9ac5-d9f32e863f5e

La taxe carbone de la Colombie-Britannique est un outil efficace pour réduire l'impact environnemental du transport.

■ British Columbia has numerous initiatives aimed at reducing the environmental impact of transportation. It has a comprehensive and pioneering carbon tax, the highest fuel tax rates in Canada, and some of the most stringent vehicle emission requirements in the country. BC residents can access incentives to retire their older vehicles, encouraging the choice of cleaner transportation. Consumers of hybrid vehicles previously received a rebate of their provincial sales taxes, and currently those purchasing electric or alternative fuel vehicles receive cash incentives. This article examines British Columbia's environmental tax policies related to transportation. The efficacy of the BC carbon tax is compared with the impact of other initiatives in the province, which include vehicle emissions inspections, a "cash-for-clunkers" program (Scrap-It) for accelerated vehicle retirement, and subsidies for the purchase of hybrid and electric vehicles. Antweiler and Gulati argue that the BC carbon tax is the preferred option, but vehicle inspections and the Scrap-It program have achieved positive results as well. Subsidizing hybrid and electric vehicles is viewed as a poor option, since there appear to have been few incremental purchases in response to the subsidy.

Andrew Leach, « Policy Forum: Alberta's Specified Gas Emitters Regulation », *Revue fiscale canadienne*, vol. 60, numéro 4, 2012, p. 881, 18 pages.
http://www.fcf-ctf.ca/ctfweb/CMDownload.aspx?ContentKey=627262ae-a1ab-45b0-9248-251ceaf8af13&ContentItemKey=84006530-80aa-4549-9930-c6dcb3e7b758

Une analyse comparative de la taxe albertaine sur les émissions de gaz par rapport à une taxe sur le carbone typique.

■ Over the past decade, many policy options have been proposed to limit greenhouse gas (GHG) emissions from industrial activity in Canada. The purpose of this article is to introduce one specific example, Alberta's Specified Gas Emitters Regulation (SGER), and to compare and contrast the incentives provided by this program with those provided by comparably priced carbon taxes. This article uses examples of actual facilities operating in Alberta as well as prototypical examples to illustrate how the SGER functions and to compare and contrast the emissions reduction incentives it provides with a prototypical carbon tax.

Nicholas Rivers, « Policy Forum: The Distribution of Costs of a Carbon Tax Among Canadian Households », *Revue fiscale canadienne*, vol. 60, numéro 4, p. 899, 18 pages.
http://www.fcf-ctf.ca/ctfweb/CMDownload.aspx?ContentKey=627262ae-a1ab-45b0-9248-251ceaf8af13&ContentItemKey=a456bb90-8574-48bc-afef-144acb21551e

Étude des effets potentiels d'une taxe sur le carbone sur la distribution des revenus et dépenses des familles canadiennes.

■ The idea of a carbon tax enjoys broad support among economists because it can efficiently motivate households and firms to reduce emissions of the greenhouse gases (GHGs) that are responsible for climate change. However, despite the economic appeal of a carbon tax, the idea of such a policy has proved controversial in Canada (and other countries), in part because of concerns that a carbon tax might exacerbate patterns of income inequality among Canadian households. The logic behind this concern is the observation that low-income households spend a relatively large proportion of their income on fossil fuels, so that a tax that raised the price of these goods could be regressive. Study of the issue is important, for at least two reasons. First, from a normative perspective, fairness in policy design is important, and is actively pursued by policy makers. Second, from a pragmatic perspective, a policy that has a disproportionately negative impact on a certain demographic or income group is less likely to be viable, since concentrated impacts can be a cornerstone around which opposition can be mobilized. This article evaluates the distributional incidence of a carbon tax applied in Canada. The analysis does not include a formal econometric or simulation model, but instead highlights the key issues that must be considered in determining the incidence of a carbon tax, using a simple static model and descriptive statistics to make some calculations of distributional burden. Because of the lack of a complex modelling framework, the results are best seen as "first-order" impacts, in that they do not take into account how firms and households might change their behaviour as prices change. Nonetheless, they are likely a useful guide to the short-run incidence of a carbon tax on Canadian households.

CANADIAN CENTRE FOR POLICY ALTERNATIVES

Iglika Ivanova et Seth Klein, *Progressive Tax Options for BC – Reform Ideas for Raising New Revenues and Enhancing Fairness*, 29 janvier 2013, 46 pages.
http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2013/01/CCPA-BC-Tax-Options_0.pdf

Propositions pour une réforme fiscale en Colombie-Britannique.

● The idea that we should debate whether taxes are 'good' or 'bad' is old. As most of us understand, taxes are the price we pay for the high quality of life we enjoy in Canada. At their root, taxes come down to a simple question: Which goods and services do we want to pay for together as a society, and which do we want to pay for privately as consumers? Recently, the CCPA conducted extensive opinion research into what British Columbians think about taxes, including a poll conducted with Environics Research. It turns out we aren't nearly as divided on these issues as one might think. The overwhelming majority of British Columbians (90%) think there should be income tax increases for those at the top. As to where those higher taxes should kick in, a clear majority (57%) says at $100,000 per year of income. A majority (67%) also think major corporations are asked to pay less tax than they should. Of course it's easy to say someone else should pay more taxes. But most British Columbians are also willing to consider the idea of paying slightly higher taxes themselves, if it can bring about new or expanded public services, such as greater access to home and community-based health care for seniors. These results are hopeful. British Columbians know we face a budget crunch. We know more revenues are required if we are going to tackle the major challenges we face, like growing inequality and persistent poverty, climate change, and the affordability crisis squeezing so many families (in housing and child care in particular). And we know higher revenues are needed to sustain and enhance the public services so vital to our quality of life and the prospects of our children, like health care, education, and environmental protection. In short, British Columbians are ready for a thoughtful, democratic conversation about how we raise needed revenues and ensure everyone pays a fair share. This report examines the case for tax reform, highlighting the ways in which BC's tax system has become increasingly unfair. It compares BC taxes to other provinces. And it models various provincial tax policy options, focusing mainly on personal income taxes and corporate taxes. A final section refutes some of the common arguments against tax increases. The overall finding: There is a clear need to raise more tax revenues. There is considerable room to do so. And the options for doing so are many.

INSTITUT DE RECHERCHE EN POLITIQUES PUBLIQUES

Bob Baldwin, *The Federal Public Service Superannuation Plan: A Reform Agenda*, décembre 2012, 44 pages.
http://archive.irpp.org/pubs/IRPPstudy/IRPP_Study_no37.pdf

Critique du nouveau régime de pensions de la fonction publique fédérale : la réforme ne va pas assez loin.

● In the current economic and fiscal environment, Canada's public sector pension plans have come under significant scrutiny. Critics have argued that these generous defined-benefit pension plans are inequitable, because the benefits they offer are vastly superior to those in the private sector at a public cost that is understated and unsustainable. This has led some to suggest that plans for public servants be brought more in line with private sector defined-contribution plans, where workers bear the risks of underfunding. Proposals to increase the retirement age and the share of costs borne by employees have also gained traction. As governments across the country move toward public sector pension reform (Canada, Ontario and New Brunswick announced important changes in 2012; Quebec is still examining the options), it is important to put these issues in perspective. In this study, pension expert Bob Baldwin analyzes the federal Public Service Superannuation Plan (PSSP) as a case study of the broader policy issues in the context of these reforms. Moving beyond the simplistic comparison of the public and private sector pension landscapes, Baldwin critically assesses the long-term fiscal, demographic and human resource management context facing the PSSP and the public service more generally. He finds that the PSSP is indeed more generous than other plans, and he suggests that reforms should focus on making the plan more consistent with other public sector plans in Canada and with workforce renewal objectives. This means that more significant reform is required than was announced in the 2012 federal budget.

ÉTATS-UNIS

CONGRESSIONAL BUDGET OFFICE

Paul Burnham, *Taxing Businesses Through the Individual Income Tax*, Congressional Budget Office, Pub. No. 4298, décembre 2012, 40 pages.
http://www.cbo.gov/sites/default/files/cbofiles/attachments/43750-TaxingBusinesses2.pdf

Conséquences de l'augmentation, en nombre et en parts de revenu, des sociétés de personnes et autres entités intermédiaires.

- Since the individual income tax was instituted in 1913, the profits of most businesses have been allocated, or "passed through," to their owners and subjected to that tax—rather than to the corporate income tax. However, most business activity (specifically, the total revenue that businesses receive as receipts from sales of goods and services) has occurred at firms subject to the corporate income tax (C corporations) because those firms tend to be larger than pass-through entities. Over the past few decades, the proportion of firms organized as pass-through entities and their share of business receipts have increased substantially: In 1980, 83 percent of firms were organized as pass-through entities, and they accounted for 14 percent of business receipts; by 2007, those shares had increased to 94 percent and 38 percent, respectively. This report examines those shifts in organizational structure, the effect they have had on federal revenues, and the potential effects on revenues and investment of various alternative approaches to taxing businesses' profits.

Jennifer Gravelle, *Options for Taxing U.S. Multinational Corporations*, Congressional Budget Office, Pub. No. 4150, janvier 2013, 36 pages.
http://www.cbo.gov/sites/default/files/cbofiles/attachments/43764_MultinationalTaxes_rev02-28-2013.pdf

Étude sur les changements potentiels au système d'imposition des sociétés internationales.

- In 2008, 12 percent of all federal revenues came from corporate income taxes; about half was paid by multinational corporations reporting income from foreign countries. How the federal government taxes U.S. multinational corporations has consequences for the U.S. economy overall as well as for the federal budget. Tax polices influence businesses' choices about how and where to invest, particularly the profitability of locating in the United States or abroad. The tax laws also can create opportunities for tax avoidance by allowing multinational corporations to use accounting or other legal strategies to report income and expenses for their U.S. and foreign operations in ways that reduce their overall tax liability. U.S tax revenues decline when firms move investments abroad or when they strategically allocate income and expenses to avoid paying taxes here. This study examines options for changing the way the United States taxes multinational corporations or addressing particular concerns with the current system of taxation. All of those options would affect multinational corporations' investment strategies and reporting of income, as well as U.S. revenues from corporate income taxes.

Janet Holtzblatt, *Refundable Tax Credits*, Congressional Budget Office, Pub. No. 4152, janvier 2013, 34 pages.
http://www.cbo.gov/sites/default/files/cbofiles/attachments/43767_RefundableTaxCredits_2012.pdf

Rapport sur l'évolution des crédits d'impôt remboursables, leurs coûts et leur efficacité.

- The U.S. tax code contains many preferences that lower or eliminate the amount of taxes owed. Those preferences include deductions, exclusions, and tax credits, which can be either refundable or nonrefundable. Refundable tax credits differ from other preferences in a significant way: Whereas other preferences reduce the amount of taxes owed to the government, refundable credits can result in net payments from the government. Specifically, if the amount of a refundable tax credit exceeds a filer's tax liability before that credit is applied, the government pays the excess to that person or business. In the federal budget, the portion of refundable credits that reduces the amount of taxes owed is counted as a reduction in revenues, and the portion that exceeds people's tax liabilities is treated as an outlay; the total federal cost is the sum of those two components. In 1975, the first refundable tax credit—the earned income tax credit (EITC)—took effect. Since then, the number and cost of credits have grown considerably. This report reviews the evolution and federal costs of refundable tax credits, their effects on the economy and the tax system, the administrative challenges in providing subsidies, and the transparency of such credits in the federal budget.

TAX POLICY CENTER

Elaine Maag, C. Eugene Steuerle, Caleb Quakenbush et Ritadhi Chakravarti, *How Marginal Tax Rates Affect Families at Various Levels of Poverty*, 29 décembre 2012, 24 pages.
http://www.taxpolicycenter.org/UploadedPDF/412722-How-marginal-Tax-Rates-Affect-Families.pdf

Les taux d'imposition marginaux réels affectent particulièrement les ménages à faible revenu qui tentent d'améliorer leur sort.

● High marginal tax rates can make moving above poverty very difficult for low-income families. These high tax rates result from increasing direct taxes (both state and federal) as well as decreasing transfer payments (including both Supplemental Nutrition Assistance Program benefits and Temporary Assistance for Needy Families). Depending on which state a person lives, a single parent with two children can face an average marginal tax rate of over 100 percent or as low as 26.6 percent as they move from the poverty level of income to 150 percent of the poverty level. If her earnings are limited to only six months of the year, she may retain transfer benefits for the remaining six months, lowering her marginal rate over the same income range to between 66.0 percent and –17.7 percent for those additional earnings. Our analysis shows how sensitive marginal tax rates are to assumptions about earnings patterns and program participation.

BROOKINGS INSTITUTION

Alan Mallach, *Cut to Invest: Create New Bond and Tax Credit Programs to Restore Market Vitality to America's Distressed Cities and Neighborhoods*, 6 décembre 2012, 11 pages.
http://www.brookings.edu/~/media/research/files/papers/2012/12/06%20federalism/06%20land%20use%20bonds%20taxes.pdf

Programme de revitalisation des quartiers résidentiels affectés par la récession.

● To promote market recovery and revitalization of cities and neighborhoods destabilized by recession, job loss, and foreclosures, Congress should authorize the creation of a new, multifaceted Strategic Neighborhood Investment Program that includes bonding authority, tax credits, and a special mortgage program. These programs, each of which tackles a different aspect of the problem, would together make possible the reuse or demolition of thousands of now-vacant or substandard properties, stabilize distressed neighborhoods, create new homeownership opportunities for young families, foster sustained increases in market value and private investment, and ultimately improve the fiscal and economic health of the nation's metropolitan areas.

Robert C. Pozen, *35 Percent Is Way Too High For Corporate Taxes*, 29 janvier 2013, 3 pages.
http://www.brookings.edu/research/opinions/2013/01/29-corporate-tax-rate-pozen

Proposition pour réduire le taux d'imposition des sociétés sans diminuer les revenus du gouvernement.

● If there's one policy agreement between Republicans and Democrats, it's that the 35% corporate tax rate in the United States should be reduced to 28% or 25%. The current rate, highest in the advanced industrial world, disincentivizes investment and encourages corporations to relocate overseas. Unfortunately, the deficit is a major hurdle facing any proposal to reduce the corporate tax rate. Because of the fiscal pressures facing the government, most politicians recognize that any corporate tax rate cut must be paid for by eliminating tax preferences and "loopholes." But few politicians have identified enough revenue-raising measures to offset the cost of a significant reduction of the corporate tax rate-cutting the rate from 35% to 25% would cost roughly $1.2 trillion over ten years. I believe that there is a sensible answer: a modest limit to the deductions that corporations claim for the interest they pay on their bonds and other debt.

URBAN INSTITUTE

C. Eugene Steuerle, *Dead Men Ruling: The Decline of Fiscal Democracy in America*, 4 janvier 2013, 6 min. 06 sec.
http://www.urban.org/publications/500291.html

Pourquoi la fiscalité américaine est-elle de moins en moins démocratique?

● On January 3, 2013, the 113th session of the U.S. Congress opened with a fiscal cliff averted, but a country still stuck in a less-recognized fiscal bind. In the first video of a three-part series, Urban Institute Fellow Eugene Steuerle, a former deputy assistant secretary of the Treasury for tax analysis and cofounder of the Urban-Brookings Tax Policy Center, explores one of the major reasons recent Congresses have been so dysfunctional: all, or almost all, the revenue to be collected by the Treasury Department was spent before lawmakers walked in the door. Steuerle further discusses how spending and tax subsidy programs on autopilot, along with a tax system inadequate to pay our bills and rife with gaping holes, handicap lawmakers' and the public's ability to set new goals for solving today's and tomorrow's problems.

Dan Halperin, *Legislative Options for Simplifying and Restructuring the Charitable Deduction*, 7 janvier 2013, 5 pages.
http://www.urban.org/UploadedPDF/412726-Legislative-Options-for-Simplifying-and-Restructuring-the-Charitable-Deduction.pdf

Proposition de réforme pour simplifier les déductions pour dons de charité.

■ Section 170 of the Internal Revenue Code (Charitable Contributions) now contains 16 subsections divided into 75 paragraphs and who knows how many subparagraphs. The CCH version of Section 170 and its legislative history takes up 35 pages. In addition, much of this voluminous statute is difficult to parse. This brief reorganizes and, where possible, simplifies the rules of section 170 which, hopefully, will increase understanding and thereby enhance the possibility of both reform and simplification. Some substantial changes are included, particularly general uniformity for income, gift, and estate tax deductions and many more potential modifications are presented.

Steven M. Rosenthal, *Taxing Private Equity Funds as Corporate 'Developers'*, 28 janvier 2013, 7 pages.
http://www.urban.org/UploadedPDF/901552-taxing-private-equity-funds.pdf
http://www.urban.org/publications/901552.html

Devrait-on continuer de traiter les profits des “private equity funds” comme du gain en capital?

● Private equity funds manage vast amounts of money: $2.5 trillion in 2010, much more than the $100 billion in 1994. They earn immense profits, largely from selling the stock of acquired and improved companies. This article focuses on the character of the funds' profits. It recommends that the IRS write new regulations to treat the funds' profits as ordinary income in light of the law, Congress's original intent, and tax policy.

THE INSTITUTE ON TAXATION AND ECONOMIC POLICY

Carl Davis et al., *Who Pays?: A Distributional Analysis of the Tax Systems in All 50 States*, Institute on Taxation and Economic Policy, 4e éd., 30 janvier 2013, 135 pages.
http://www.itep.org/pdf/whopaysreport.pdf

Analyse de la répartition de l'ensemble des impôts et taxes imposés par les états et les localités, dans chacun des 50 états.

■ This report assesses the fairness of state and local tax systems. The report measures the state and local taxes paid by different income groups in 2013 (at 2010 income levels including the impact of tax changes enacted through January 2, 2013) as shares of income for every state and the District of Columbia. It discusses state tax policy features and includes detailed state-by-state profiles providing essential baseline data for lawmakers seeking to understand the effect tax reform proposals will have on constituents at all income levels. The main finding of this report is that virtually every state's tax system is fundamentally unfair, taking a much greater share of income from middle- and low-income families than from wealthy families. The absence of a graduated personal income tax and the over reliance on consumption taxes exacerbate this problem in many states.

Institute on Taxation and Economic Policy, *Proposal to Eliminate Income Taxes Amounts to a Tax Increase on Bottom 80 Percent of Louisianans*, 11 janvier 2013, 2 pages.
http://www.itep.org/pdf/LATaxSwapAnalysis.pdf

L'élimination de l'impôt sur le revenu des particuliers et des sociétés en Louisiane, accompagnée d'un augmentation des taxes de vente, aurait un impact régressif.

● Louisiana Governor Bobby Jindal has said that he supports the elimination of the state's personal and corporate income taxes. In fiscal year 2012, Louisiana collected nearly $3 billion in revenues from its personal and corporate income taxes. In order to pay for the drastic reduction in revenue that would come from eliminating them, lawmakers would likely raise the state's sales tax rate or broaden its base by eliminating various exemptions. Governor Jindal is reportedly developing a plan along these lines that is said to also include some type of income tax relief for low income Louisianans who will be hit hardest by shifting the tax structure to rely more heavily on revenue generated from the sales tax. The Institute on Taxation and Economic Policy (ITEP) used its Microsimulation Tax Model to show the impact of eliminating the personal and corporate income taxes and increasing the sales tax rate to achieve overall "revenue neutrality"—a goal the Governor previously said would be part of his tax reform agenda. The ITEP analysis does not include any low income tax relief because the mechanism for that relief is unclear at this time. However, it is worth noting that any low income tax relief will likely be insufficient to offset the impact of the large sales tax hike necessary to make this tax swap revenue neutral. (The low income tax relief will also need to be paid for which will likely mean that middle class families will see an even larger tax hike than that described below.) The overall shift in tax liability is so dramatic that the plan is virtually guaranteed to have a regressive impact regardless of whether or not a low-income relief program is added to the package.

CENTER ON BUDGET AND POLICY PRIORITIES

Kathy A. Ruffing et Chad Stone, *Separating the Debt Limit From the Deficit Problem*, 23 janvier 2013, 9 pages.
http://www.cbpp.org/files/1-23-13bud.pdf

La différence entre le plafond de la dette et le déficit expliquée.

● Some lawmakers speak of refusing to raise the debt limit and thereby risking default on obligations of the U.S. Treasury unless Congress and the President agree to harsh spending cuts, or of raising the debt limit for only a few months at a time and thereby fostering ongoing uncertainty. To be sure, the nation's long-term fiscal path is unsustainable due to rising health care costs, an aging population, and inadequate revenues, and policymakers should address that challenge in a balanced and timely way. But lawmakers should not hold the debt limit hostage to deficit reduction measures of their choosing or increase uncertainty and heighten the risk of default by raising the debt limit for only a few months at a time. Policymakers cannot let the government default and shouldn't create any doubt or uncertainty about that. Some policymakers and opinion leaders confuse the issues of budget deficits, debt, and the debt limit. The deficit is the amount by which spending exceeds revenues in a particular fiscal year. The debt that matters for policy is essentially the total of federal budget deficits, minus federal budget surpluses, over the course of U.S. history. The debt limit is the legal ceiling on how much total debt the government can issue, including not just amounts borrowed in credit markets but also — oddly — Treasury securities issued to federal trust funds such as Social Security (that is, money that one part of the government lends to another). Policymakers must periodically raise that dollar cap so that the federal government can pay its bills. Unlike any other major industrialized nation, the United States sets a legal limit on the total debt of its central government — a limit that, in its current form, dates back to World War I. To be clear, when policymakers raise the debt limit, they are merely enabling the government to pay the bills that it has already incurred through previous tax and spending policies that created deficits in the first place. Despite widespread misunderstanding, raising the debt limit does not create more spending or larger deficits.

Michael Mazerov, *States Should Embrace 21st Century Economy by Extending Sales Taxes to Digital Goods and Services*, 13 décembre 2012, 25 pages.
http://www.cbpp.org/files/12-13-12sfp.pdf

Les biens et services en ligne devraient être soumis aux taxes de vente des états.

● States are losing more and more revenue each year from a failure to require the payment of sales taxes when goods and services are sold and delivered online. The tax-exempt status in many states of "digital goods and services" — a fast-growing sector of the economy that ranges from movie downloads to online dating services to computer software — costs states well over $300 million per year, and the price tag is rising. Such implicit tax breaks are inequitable and completely unnecessary, and should be brought to an end. There is no good reason to exempt digital goods and services whose tangible counterparts are taxed. Sales taxes do apply to in-store sales of computer software, books, movies, music, and games sold on physical media (paper, CDs, and DVDs) in all 45 states that have sales taxes; many states also tax sales of newspapers, magazines, greeting cards, stock photographs, cable TV, pay-per-view movies, and similar types of information- and entertainment-related goods and services. Only a minority of states, however, have extended the sales tax to all of these products when they are delivered over the Internet. In most cases, these tax exemptions exist not for any policy reason but rather because sales tax laws and regulations have not been updated to reflect the Internet age — an oversight that is growing costlier every year. The failure to tax sales of digital goods and services is particularly problematic when many states are still struggling to bolster their finances after the deepest recession in 75 years slashed state sales and income tax receipts and led to major cuts in education, health care, and other critical services.

INTERNATIONAL

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

OECD, *Taxing Energy Use: A Graphical Analysis*, OECD Publishing, 2013, 259 pages.
http://www.oecd-ilibrary.org/taxation/taxing-energy-use_9789264183933-en

Étude comparative des pays membres de l'OCDE quant à l'imposition de l'utilisation de l'énergie dans un contexte de réforme fiscale répondant aux changements climatiques.

● Energy use is a critical component of modern economies: it is a key input to production and an important element of consumer spending. However, many forms of energy – particularly fossil fuels – also contribute to significant environmental problems, such as climate change and local air pollution. The taxation of energy is a key policy instrument that, whether intended or not, has a significant impact on energy prices, energy usage and the resulting environmental impacts. This publication provides a systematic comparative analysis of the structure and level of taxes on energy use in all OECD countries. It presents effective tax rates on energy use in terms of both energy content and carbon emissions, together with detailed graphical profiles of the structure of energy use and taxes on energy in each country. The first part of the report outlines the methodological approach taken, summarises various effective tax rates across countries, and highlights a number of key implications of these results. The second part of the report is made up of individual country sections that describe in more detail energy taxation in each country and present the graphical profiles of energy use and taxation.

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Bernard Schneider, « The End of Taxation without End: A New Tax Regime for U.S. Expatriates », *Virginia Tax Review*, vol. 32, numéro 1, 1er octobre 2012, 76 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2186076

L'imposition des expatriés américains sur leur revenu mondial : une mesure dépassée.

● One of the most notable examples of U.S. tax exceptionalism is the taxation of U.S. citizens and legal permanent residents (LPRs) on their worldwide income, regardless of residence. The United States also imposes broad and increasingly onerous tax and financial reporting obligations on its citizens and LPRs. Worldwide taxation of U.S. expatriates dates to the Civil War. Although it may have been justified in the past, it is very difficult to justify and increasingly dysfunctional today. It is difficult to justify on economic or equity grounds, it is difficult if not impossible to enforce against many expatriates, and it sends the wrong message regarding the value of U.S. citizenship. The United States should eliminate the worldwide taxation of expatriate citizens and LPRs and replace the exit tax on those renouncing U.S. citizenship or relinquishing LPR status with a departure tax regime that would apply to all changes of tax residence. The proposed new tax regime would be more equitable and more enforceable. It would also be more consistent with international tax norms and with the purposes of U.S. nationality and immigration law.

Ilan Benshalom, « Taxing Cash », *Columbia Journal of Tax Law*, vol. 4, numéro 1, 1er décembre 2012, 29 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2195352

Une taxe sur les retraits d'argent comptant afin de réduire l'évasion fiscale?

● The cash economy enables, or at least significantly simplifies, many tax evasion schemes. This is not surprising; after all, cash transactions can go unreported and therefore remain concealed from both regulators and creditors. The tax collector operates as both a creditor and a regulator, which means that cash transactions impose negative externalities on tax collection and administration. These externalities could be corrected through a relatively simple Pigovian tax that would be imposed, prior to cash-mediated transactions, every time cash was withdrawn from the financial system. Tax authorities would not collect any tax when cash would be deposited. This article argues that such a cash tax would make tax collection both easier and more accurate. If a cash tax were imposed, most of the legitimate economy would shift to non-cash exchange methods. In such a setting, cash transactions would be effectively limited to two categories: low-value transactions and transactions that benefit from the anonymity associated with cash. Transactions associated with tax evasion and other types of criminal activities likely comprise most of the latter category. Hence, because cash would comprise a relatively small portion of the formal economy's turnover, there are good reasons to believe that cash owners operating in the underground economy would be unable to roll over most of the cash-tax burden. This means that most of the cash-tax incidence would fall on those who use cash to engage in tax evasion or other forms of unreported behaviors. Such a cash tax would therefore reduce the lack-of-tax benefit associated with cash-based tax evasion along with the inequities and inefficiencies associated with it. Furthermore, it would allow policymakers to comprehensively address the externalities associated with unreported transactions in the cash economy.

Shi-Ling Hsu et Yoram Bauman, « Why Conservatives Should Support a Carbon Tax », *FSU College of Law, Public Law Research Paper No. 621*, 12 décembre 2012, 7 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2188945

Une taxe sur le carbone, en plus d'être rentable, serait plus efficace que les autres formes de législation mises en place afin d'encadrer les émissions de gaz.

● Why should conservatives support a carbon tax? Current conservative orthodoxy is that no tax is a good tax. But some are taxes less bad than others. If a carbon tax can be used to reduce other taxes, or if a carbon tax is a new source of revenues for deficit reduction instead of raising other taxes, the net economic benefits of such a swap are likely to be positive even if one believes there are no environmental benefits. Second, the alternative to a carbon tax is less efficient: federal command-and-control regulation of greenhouse gas emissions under the Clean Air Act. The Supreme Court has held that the EPA must regulate greenhouse gas emissions under the Clean Air Act, and this requirement will not be legislatively repealed unless it is replaced by something comprehensive, like a carbon tax. In short, a carbon tax is the simplest, cheapest, and least intrusive way to reduce greenhouse gas emissions, and if substituted for other taxes, can provide economic benefits to boot. A carbon tax would not only be consistent with conservative, small-government principles, but can help advance them.

Roberta F. Mann, « Housing & the Mortgage Interest Deduction », *University of Oregon School of Law, Legal Studies Research Paper*, 16 décembre 2012, 30 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2189873

Déduction des intérêts sur la résidence principale : est-elle toujours adéquate?

● The deduction for qualified residence interest (QRI) is the second largest individual tax expenditure, after the exclusion for employer provided health insurance. While homeownership has long been viewed as a social good, the QRI deduction has faced criticism. Commentators have argued that it is not consistent with the structure of the income tax system; it is economically inefficient, skewing investment towards private residences; it is inequitable, discriminating against low income people (a group that may disproportionately include people of color), and certain religious minorities; and it is environmentally unsound, encouraging sprawl, excessive energy use, and inefficient transportation choices. In late 2008, the entire world reeled from a global economic crisis, which started with a housing bubble inflated by excessive debt facilitated by subprime mortgages and spread around the economy by mortgage backed securities. Assuming that homeownership provides useful societal benefits, this chapter will explore how the tax system could create incentives for homeownership while avoiding the problems of the QRI deduction. The chapter will examine options including adding a homeownership benefit to the standard deduction, creating a refundable housing credit, providing a deduction for contributions to a housing savings account, and including a shelter credit available for renters and homeowners alike. The chapter will also address whether the housing benefit should be linked to debt financing. The ideal benefit would be equitably distributed, would not unduly influence housing prices, would not encourage excessive debt, and would respect environmental as well as social goals.

J. Clifton Fleming Jr., Robert J. Peroni et Stephen E. Shay, « Designing a U.S. Exemption System for Foreign Income When the Treasury is Empty », *Flordia Tax Review*, vol. 13, numéro 8, 10 janvier 2013, 70 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2194230

Une proposition pour une réforme de l'imposition des revenus étrangers des sociétés américaines, basée sur un système d'exemption.

● This article springs from two concurrent phenomena. First, U.S. federal deficit spending projections indicate that any feasible deficit reduction plan will require substantial additional revenue. Second, the U.S. system for taxing foreign-source income is so badly flawed that if the United States were to adopt a principled exemption or territorial system under which eligible foreign source income is taxed at a zero rate, the fisc would actually gain revenue with which to ease the deficit problem. To realize its revenue raising potential, however, an exemption system will require the following characteristics (or comparable analogues): 1) A robust subject-to-tax requirement (to foreclose use of low-tax foreign regimes) and continued current taxation of passive and mobile income under an updated Subpart F regime; 2) Disqualification from exemption for royalties (including deemed royalties from a foreign branch), interest, services payments and other foreign-source items that do not bear a significant foreign tax; 3) Elimination of the current tax exemption for 50 percent of the income from U.S. export sales; 4) Allocation of domestic expenses to foreign-source income to protect the U.S. tax base from "deduction dumping" in a more realistic way than an inadequate 5 percent "haircut" and 5) A prohibition against deducting foreign losses from U.S.-source income. To the extent that an exemption system deviates from these five characteristics, it creates revenue transfers to a relatively small group of mostly prosperous U.S. multinational corporate taxpayers at a time when the Treasury is in distress. This ought not to be allowed unless the transfers can pass a rigorous cost/benefit test.

Steven A. Bank, « The Globalization of Corporate Tax Reform », *Pepperdine Law Review*, vol. 40, numéro 5, 14 janvier 2013, 22 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2200662

Une réforme de l'impôt des sociétés dans un contexte de mondialisation doit prendre en considération les impacts sur la fiscalité internationale.

- With the growth of multinational corporations and its effect on corporate tax revenues, it is not surprising that international tax reform is a major part of President Obama's Framework for Business Tax Reform as he begins his second term. Noticeably missing from this and other discussions of the major structural reform proposals, however, is any mention of the influence and importance of international corporate tax reform efforts. Although the concern over corporate tax evasion is especially pronounced in the U.S., the "decentering" of multinational corporations and corporate tax revenues is by no means an exclusively American problem. Around the world, nations are under direct and indirect pressure to reform their corporate tax laws. Both the OECD and the European Commission have recently released descriptions of projects designed to address corporate tax evasion and profits shifting. Not only will this have an effect on U.S. tax laws and on the tax burdens of U.S. multinational corporations regardless of whether the U.S. actually reform its own laws, but it will have an effect on the success of any corporate tax reform initiated in the U.S. This essay, written for a symposium entitled "Tax Advice for the Second Obama Administration," argues that unilateralism is problematic. Any attempt to reform corporate taxation inevitably has to be undertaken in light of the already-existing global effort in this area, rather than proceeding purely as a domestic legislative matter.

Douglas A. Kahn, « A Proposed Replacement of the Tax Expenditure Concept and a Different Perspective on Accelerated Depreciation », *Florida State University Law Review* (Forthcoming), 22 janvier 2013, 21 pages.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2205288

Remise en question du concept de dépense fiscale : l'absence d'un système fiscal absolu et de la prise en considération de l'interrelation des mesures fiscales rend ce concept inapproprié.

- The thesis of this article is that the tax expenditure concept is grounded on an erroneous vision of the structure of an income tax system. The tax expenditure concept adopts a binary view of income taxation. It posits that there is an ideal or pure income tax system whose provisions are elements of the normal structure of that system without any influence from non-tax policy considerations. Tax provisions are described either as falling within those core provisions or outside of them. There are no other categories. To the contrary, this article contends that tax provisions lie on a continuum in which some are in the core and some are at different distances from the core. The author contends that virtually all tax provisions, including those within the core, reflect policy considerations. The decision whether to adopt or retain a provision takes into account both its proximity to the core and also the economic and societal consequences (both positive and negative) that the provision will cause. There is no universal tax system for all times. Tax laws are (and should be) constructed to coordinate with the needs and values of society as they change over time. The article also contends that there is not just one proper method of depreciation, and that accelerated depreciation is as consistent with neutral tax principles as is straight line depreciation.

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