Summary of Contents

List of Contributors	V
Preface	xix
List of Figures	xxi
List of Tables	xxvii
List of Abbreviations	xxxiii
List of Abbreviations of Countries	xxxix
Introduction: Objective and Structure of the Book	1
PART I	
Taxation of Businesses and Individuals – An International Comparison	3
CHAPTER 1 Taxation of Income, Wealth and Consumption	5
Chapter 2	
Taxation of Individuals (Personal Income Tax)	27
CHAPTER 3	
Taxation of Business Profits	91
Chapter 4 Non-income Taxes	167
Non-income Taxes miss anisk salag	107
Inheritance Tax	173

Summary of Contents

CHAPTER 6 Value-Added Tax	183
PART II International Business Taxation	189
CHAPTER 7 Fundamentals of International Taxation	191
CHAPTER 8 Taxation of Cross-Border Investments	281
Chapter 9 Allocation of Profits	349
CHAPTER 10 Proposals for Reforming Company Taxation within the EU: The Common Consolidated Corporate Tax Base (CCCTB)	373
PART III International Tax Planning	389
CHAPTER 11 Introduction to International Tax Planning	391
CHAPTER 12 Target Variables for International Tax Burden Comparisons	397
CHAPTER 13 Case Studies on Domestic Tax Planning: Financing of Corporations in Different EU Member States and the United States	77
CHAPTER 14	421
Case Studies on Cross-Border Tax Planning	441
CHAPTER 15 Mergers & Acquisitions	489
CHAPTER 16 Intellectual Property	505
CHAPTER 17 Optimizing the Value Chain	519
Index E so	

Table of Contents

Preface xix List of Figures xxxi List of Tables xxxii List of Abbreviations xxxiii List of Abbreviations of Countries xxxii Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 \$1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 100 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14 \$1.02 Elements of a Tax 18	List of	Contr	butors			V
List of Figures xxxii List of Tables xxxiii List of Abbreviations xxxiii List of Abbreviations of Countries xxxiii Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	100	~	personne sum reconstante, Sinturant, sono			
List of Tables xxxiii List of Abbreviations xxxiii List of Abbreviations of Countries xxxiii Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	Preface					xix
List of Tables xxviii List of Abbreviations xxxiii List of Abbreviations of Countries xxxiii Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	Times	Pi mana				
List of Abbreviations xxxiii List of Abbreviations of Countries xxxiix Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	List of	Figure				XXI
List of Abbreviations	List of	Table	inner Lunanie			vyvii
List of Abbreviations of Countries xxxix Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	Liot of	I doic.				AAVII
List of Abbreviations of Countries xxxix Introduction: Objective and Structure of the Book 1 PART I Taxation of Businesses and Individuals – An International Comparison 3 CHAPTER 1 Taxation of Income, Wealth and Consumption 5 §1.01 Types of Taxes, Tax Revenue and Tax Law 5 [A] Characteristics and Objectives of Taxes 5 [B] Classification of Taxes 7 [C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14	List of	Abbre	viations			xxxiii
Introduction: Objective and Structure of the Book PART I Taxation of Businesses and Individuals – An International Comparison CHAPTER 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance						
Introduction: Objective and Structure of the Book PART I Taxation of Businesses and Individuals – An International Comparison CHAPTER 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	List of	Abbre	viations of Countries			xxxix
Part I Taxation of Businesses and Individuals – An International Comparison Chapter 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance						
Taxation of Businesses and Individuals – An International Comparison CHAPTER 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	Introdu	action:	Objective and Structure of the Book			1
Taxation of Businesses and Individuals – An International Comparison CHAPTER 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance						
CHAPTER 1 Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	190000000000000000000000000000000000000	C T		1.0		
Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	Taxano	01 01 1	Businesses and Individuals – An Internationa	al Comparisor	Litour	3
Taxation of Income, Wealth and Consumption §1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	Снартя	R 1				
\$1.01 Types of Taxes, Tax Revenue and Tax Law [A] Characteristics and Objectives of Taxes [B] Classification of Taxes [C] Sources of Tax Legislation [D] The Power to Set Taxes [E] Tax Collection, Enforcement and Compliance	3.000 mg, mm, 18,000	(C) 5 H	ncome, Wealth and Consumption			5
[A]Characteristics and Objectives of Taxes5[B]Classification of Taxes7[C]Sources of Tax Legislation10[D]The Power to Set Taxes12[E]Tax Collection, Enforcement and Compliance14						70 10 10
[C] Sources of Tax Legislation 10 [D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14		11/25				5
[D] The Power to Set Taxes 12 [E] Tax Collection, Enforcement and Compliance 14		[B]				7
[E] Tax Collection, Enforcement and Compliance 14		[C]	Sources of Tax Legislation			10
[L] Tax concentint, Emoreciment and compliance		[D]				12
§1.02 Elements of a Tax	(200 Dec.)	The state of the s		ce		14
21 22 1						
§1.03 Impact of Taxation on Management Decisions 22						

Снарте	R 2	
Taxatio	on of Individuals (Personal Income Tax)	27
§2.01	Objectives and Concepts of Income Taxation	27
	[A] Objectives of Income Taxation	27
	[B] Concepts of Income	30
	[1] Realized versus Notional Income	30
	[2] Definition of Realized Income: Achieved Income	
	versus Consumed Income	31
	[3] Comprehensive Income versus Standard Income Approach	34
	[4] Global Income Tax versus Schedular Income Tax	38
	[C] Conclusion	44
§2.02	Taxable Persons	45
§2.03	Scope of Income and Income Categories	46
	[A] Overview	46
	[B] Exempt Income and Non-deductible Expenses	46
	[C] Business Income (Including Professional and Agricultural	
	Income)	49
	[D] Employment Income	53
	[E] Capital Income	59
	[F] Capital Gains	61
	[G] Other/Miscellaneous Income	68
§2.04	Personal Expenses and Allowances	68
§2.05	Losses	72
§2.06	Tax Rates	76
§2.07	Family Taxation	82
§2.08	Special Concepts of Income Taxation	85
§2.09	Conclusion application and the control of the contr	88
Further	r Reading	90
Снарте		-11
	on of Business Profits	91
§3.01	Concepts of Business Taxation: The Dual System (Pass-through	0.00
	Taxation versus Separate Entity Approach)	91
§3.02	Sole Proprietors	94
§3.03	Corporations and Their Shareholders	95
	[A] Overview	95
	[B] Corporate Level	96
	[1] The Corporate Income Tax: Liability to Tax	96
	[2] Determination of Taxable Income	97
	[3] Corporate Income Tax Rates	100
	[C] Corporate Tax Systems of memory and the company of the resentation	102
	[1] Classification of a Corporate Tax System	102
	[2] Tax Burden at the Corporate Level	106
	[3] Tax Burden at the Shareholder Level	106

	[4] Impact on Business Decisions	109
	the contract of the contract o	113
	[D] Taxation of Shareholders: Dividends and Capital Gains [1] Individuals as Shareholder	113
	[2] Intercompany Dividends	118
	[E] Contracts between the Corporation and the Shareholders	122
	[1] Taxation of Payments from Contractual Agreements	122
	[2] Approval of Contractual Relationships	123
	[3] Debt-Financing by Shareholders: Thin Capitalization	120
	Rules and Limits on Interest Deductibility	125
		127
	[F] Group Taxation [G] Conclusion	129
62.04	Partnerships and a partnerships	130
§3.04	[A] Classification in Civil Law	130
		132
	[B] Classification in Tax Law [C] Interaction of Civil Law and Tax Law	137
	[D] Conclusion	139
62.05	Determination of Taxable Profits	139
§3.05		140
	[B] Starting Point: Financial Accounts Relation between Tax Accounts and Financial Accounts	143
96.	[C] Common Principles of Tax Accounting	144
VO A	[D] Important Modifications and Adjustments of Financial Profits	144
	[E] Conclusion	159
§3.06	Local Profit Taxes	160
93.00	[A] Overview and among a horizontal and among [A]	160
	[B] Trade Tax on Income (Germany/Luxembourg)	160
	[C] Business Tax (Hungary)	163
	[D] IRAP (Italy)	164
	[E] Conclusion	165
Further	Reading The Readin	166
1 dittici	rate results amount to guiltest Textile Textile on the southers of	
Снартен	4.1 the page and setting as a finite set of the set of	
	come Taxes	167
§4.01	Overview of the second of the	167
§4.02	Individuals 1 1 1 1 1 1 1 1 1	168
§4.03	Businesses and a second of the	169
§4.04	Conclusion Landau Landau Charles (1977) and Landau Charles (1977)	171
	Reading respit length teleplant, but resempted [1]	171
	usi Cignul Edgen Nemality (
Снарты	R 5 Resultant Frances Photostate Innoithful [5]	
Inherita	ance Tax	173
	Classification Advantage Classification	173
§5.02	Overview	174
	Taxable Persons and Events	175
§5.04		176

SE OF	Tow	Rates and less assemble to the minimum		
§5.05 §5.06	Tax I	lusion		
Further				
rurtitel	reaul			
CHAPTER	6			
		Tax		
§6.01		nonized VAT in the EU		
§6.02		VAT System		
§6.03		ble Persons		
§6.04		ble Transactions		
§6.05		of Taxable Transactions		
§6.06	Tax I	Exemptions		
§6.07		ble Amount		
§6.08	Tax l	Rates		
§6.09	Conc	lusion		
Further	Readi	ng mend		
		heren af Translate Papital Pap		
PART II				
	ional	Business Taxation		
Силотер	7			
Fundam	nental	s of International Taxation		
§7.01		lity to Tax and International Double Taxation		
97.01		Personal and Corporate Income Tax		
	100	Net Wealth Tax		
	[C]			
		Local Profit and Non-income Business Taxes		
	[E]	Transaction and Consumption Taxes		IBI 4
	[F]	Conclusion		1 th
§7.02		dance of International Double Taxation on Income: 1	Differe	nt
3		roaches and Consequences	K) h =100
		Problem of International Double Taxation	V.	
	[B]	Mechanisms of Relief		
		[1] Basic Methods		
		[c] Comparison and Analysis: Capital Impo	rt Net	
		and Capital Export Neutrality		A PARTICIPATION OF THE PARTICI
		[2] Additional Methods		
	[C]	Taxation of (Intercompany) Dividends		
	[D]	and accompanies of a property of the property		
	[E]	Conclusion		
§7.03				
3.100	[A]	Purpose, Nature and Different Models of Tax Treat	ies	

	[B] OECD-Model (Industrialized Countries) and the US-German	
	Tax Treaty	225
	[1] Scope of the Tax Treaty	225
	[2] Taxation of Income	229
	[a] Allocation Rules	229
	[b] Elimination of Double Taxation	238
	[c] Country Practice	242
	[d] Special Provisions	247
	[3] Interpretation of Tax Treaties	249
	[4] Conclusion	251
	[C] UN Model (Developing Countries)	252
§7.04	Non-taxation	253
2	Net Wealth Taxes and Inheritance/Gift Taxes	262
§7.05 §7.06	EU Law	262
87.00	[A] The EU Legal Principles	262
	[B] Fundamental Freedoms (Primary EU Law)	263
	[6] Important Directives in the Field of Direct Taxes (Secondary	205
	EU Law)	265
	[D] Conflicts with EU Law	269
90.	[1] Justification of a Restriction of EU Law	269
VO A	[2] Important ECJ Decisions	271
	[E] Tax Obstacles to EU-Wide Economic Activities	277
Further	Reading	278
rarener	Annual Market Comment Company of Company	210
Снарте		
Taxatio	on of Cross-Border Investments	281
§8.01	Systematization of Cross-Border Investments	281
	[A] Direct Business and Direct Investment	281
	[B] General Factors Determining the Tax Burden	282
§8.02	Direct Business	285
	[A] Source Taxation	285
	[1] Allocation and Categories of Income	285
	[a] Domestic Law	285
	[b] Tax Treaty Law	289
	[2] Limited Liability to Tax	293
	[a] Domestic Law	293
	[b] Tax Treaty Law	298
	[c] EU Law error but entered to mittee the [2]	300
	[B] Residence Taxation	301
	[1] Elimination of Double Taxation	301
		20,700,00
	[4] Local Profit Taxes	305
		303 305
	[4] Local Profit Taxes	305

§8.03	Perm	nanent Establishments and Business Profits	309
111	[A]	Definition of Permanent Establishments and Business Profits	309
		[1] Domestic Law	309
		[2] Tax Treaty Law	312
		[3] Special Cases and a source of A	312
	[B]	Source Taxation	316
		[1] Attribution of Business Profits	316
		[2] Taxation of Income	318
	[C]	Residence Taxation	320
		[1] Elimination of Double Taxation	320
		[2] Treatment of Losses	321
		[3] Capital Gains	324
		[4] Local Profit Taxes	324
		Conclusion	325
§8.04	-	sidiary engrand logar let et ? [8]	327
		Source Taxation	327
		[1] Level of the Subsidiary (Unlimited Taxation)	328
		[2] Level of the Shareholder (Limited Taxation)	328
		[a] Dividends was US show and Read [5]	329
		[b] Capital Gains on the Sale of Shares	330
		[c] Income from Contractual Relations	332
	[B]	Residence Taxation	334
	1-1	[1] Elimination of Double Taxation	334
		[2] Treatment of Losses	336
		[3] Capital Gains	338
		[4] Local Profit Taxes	338
		[5] Limitation on Exemption or Deferral of Foreign	1
		Corporations	339
	[C]	Conclusion Conclusion	344
Further	-	_ / /	347
- urtires	read	M Contallation and Contallation and Contallation	
CHAPTE	R 9		
Allocat	ion of	Profits was alternoon in	349
§9.01		cation of Income and Costs from Direct Business Activities	349
89.02		cation of Business Profits to Permanent Establishments	351
	[A]		351
	[B]	Allocation of Functions, Risks, Assets and Capital	352
	[C]	Allocation of Income and Costs	355
	[D]	Transfer of Assets	357
§9.03	30 (47)	sidiary Samuel College to naturalist 11	360
	[A]	Relevance and Fundamental Approach	360
	[B]	Determination and Control of Intercompany Transfer Prices	362
	[C]	Transfer of Assets	366
	1		

[D] Limitations to Intercompany Financing	368
§9.04 Conclusion Concl	371
Further Reading	371
CHAPTER 10 CHAPTER 10 CHAPTER TO THE	
Proposals for Reforming Company Taxation within the EU: The Common	
Consolidated Corporate Tax Base (CCCTB)	373
§10.01 Introduction gothernal I field malamental for language	373
§10.02 Objectives and Analysis of a CCCTB	374
[A] Principles of a CCCTB	374
[B] Shift in Paradigm for Taxing Multinationals	375
[C] Advantages: Overcoming Tax Obstacles to Cross-Border	
Activities Activities Activities	377
[D] Implementation Issues	379
[E] Formula Apportionment: Some General Issues	380
[1] Factors in the Formula: Intangibles	380
[2] Tax Administration: One-Stop-Shop	380
[3] Third Countries: Treatment of Outbound and	
Inbound Investments	381
[4] Formula Apportionment and Tax Planning: In Favour	
of a Minimum Tax Rate of the property of the	382
[5] Entry to and Exit from the CCCTB: Taxation of	
Hidden Reserves	382
§10.03 Analysis of a Common Corporate Tax Base (CCTB)	383
§10.04 Conclusion	387
Further Reading	387
PART III vnsqmo2 men 9 sitho	
International Tax Planning	389
CHAPTER 11 estimate bood six tame amendmental birdy life bangul. [3]	
Introduction to International Tax Planning	391
Further Reading	395
[4] Information Financing with Holding Singuies.	
CHAPTER 12. CHAPTE	
Target Variables for International Tax Burden Comparisons	397
§12.01 Target Variables: Introduction and Overview	397
§12.02 Statutory Tax Rates	399
§12.03 Effective Tax Burdens	400
[A] Forward-Looking Measures	401
[1] Marginal Investment	401
[2] Profitable Investment	405
[B] Backward-Looking Measures	414
§12.04 Conclusion	419
Further Reading	419

Снарте	a 13	
	udies on Domestic Tax Planning: Financing of Corporations in	
	nt EU Member States and the United States	421
§13.01	Classification of Corporate Finance and Impact of Taxation	421
§13.02	Base Data for the Case Study	423
§13.03	Impact on Equity Financing: Retained Profits	426
§13.04	Impact on Equity Financing: Profit Distribution	429
§13.05	Impact on Shareholder Debt Financing	433
§13.06	Comparison and Conclusion	438
Further	Reading The Control of the American Reading	440
Снартен	14 Parallem Parallem Tarimine Tarimine and Alice [4]	
Case St	udies on Cross-Border Tax Planning	441
§14.01	Cross-Border Intra-group Financing in Different EU Member States	
	and the United States	441
	[A] Impact of Different Approaches to Eliminate International	
	Double Taxation	441
	[B] Base Data for the Case Study	444
	[1] Tax Burden on Equity Financing	445
	[2] Tax Burden on Debt Financing	448
	[3] Comparison and Analysis of Results	450
	[4] Sensitivity Analysis: Change of the Double Taxation	
	Relief Method for Dividends	452
	[a] Approach to Eliminate International Double	Lund.
	Taxation on Dividends	452
	[b] Losses of a Foreign Subsidiary	457
	[c] Deductibility of Refinancing Costs at the Level	12
	of the Parent Company	458
	[C] Impact of Thin Capitalization Rules	459
	[D] Cross-Border Leasing	460
	[E] Impact of Hybrid Instruments and Hybrid Entities	461
§14.02	Holding Structures	464
	[A] Objectives and Use of Holding Companies	464
	[B] Intercompany Financing with Holding Structures	466
	[1] Case Study: Establishment of a Financing Company	469
	[2] Case Study: Establishment of a Mixer Company	472
	[C] Branch Models	478
	[D] Anti-avoidance Legislation	479
	[E] Reduction and Avoidance of Withholding Taxes (EU Holding)	482
	[F] Consolidation of Profits and Losses	483
	[G] Reduction of Capital Gains Taxation	486
	[H] Transformation of Income	487
Further	Reading	488

CHAPTER	15	
Mergers	& Acquisitions	489
15.01	Introduction to M&A Tax Structuring	489
15.02	Asset Deal versus Share Deal	491
15.03	Case Study: German Inbound Acquisition	495
15.04	Case Study: Cross-Border Business Combination	499
urther !	Reading	503
	Pentana	
CHAPTER	16	
ntellect	ual Property	505
16.01	Introduction	505
16.02	Creation of Intellectual Property	506
16.03	Management of Intellectual Property	512
16.04	Migration of Intellectual Property	513
16.05	Aggressive Tax Planning and Intellectual Property	514
urther	Reading	517
	The state of the s	
CHAPTER		
Optimiz	ing the Value Chain	519
Further	Reading	525
ndex		527