

Taxation of Capital Income (Kapitaleinkommensbesteuerung)

Professor	Room	Phone	Office hour
Dr. Boryana Madzharova	LG 6.115	5302-203	by arrangement

Contents:

This course is concerned with the effects of various forms of capital income taxation on decisions of companies. Building on a consistent theoretical model of the firm, we discuss the implications of relevant taxes at the level of the firm and at the level of shareholder for financing and investment decisions. Each of the theoretical predictions is contrasted with the empirical evidence provided in the literature. While the main part of the lecture deals with an intertemporal model of firm decisions, the last part discusses how tax effects change under conditions of capital mobility.

Learning Objectives:

Students know how to analyze and assess the economic consequences of capital income and business taxation using microeconomic decision models. They can use this framework to evaluate tax policy measures and tax reform proposals and understand how to analyze and assess the key issues in the field of company taxation. They are acquainted with the main empirical approaches to test and quantify the effects of taxation on investment and finance and can discuss the key findings in the empirical literature. Moreover, they know how the effects of capital income taxation differ under conditions of capital mobility including FDI and portfolio capital mobility.

Literature:

Auerbach, A. J. (2008), Taxation of corporate profits. The New Palgrave Dictionary of Economics. Second Edition.
Keuschnigg, C. (2005), Öffentliche Finanzen: Einnahmenpolitik, Mohr Siebeck, Kapitel XI.

Dates and Frequency:

Lecture: Monday 11:30 - 13:00, LG 5.154 (Start: 16.10.2017)
Tutorial: Tuesday 15:00 - 16:30, FG 3.023 (Start: 24.10.2017)