

Submission to the consultation process on *Tax Planning Using Private Corporations*, tabled by Finance Minister Bill Morneau

Peter Dietsch, Université de Montréal
October 2017

Table of contents

1	INTRODUCTION	2
2	A PRIMER ON TAX FAIRNESS	2
2.1	EQUITY CONSIDERATIONS	3
2.2	TAXATION AND JUSTICE	3
2.3	ON THE ETHICS OF INCENTIVES	4
2.4	SIMPLICITY, TRANSPARENCY, AND STABILITY OF THE RULE OF LAW	4
3	THE CASE IN FAVOUR OF THE THREE PROPOSED GOVERNMENT REFORMS	4
3.1	EQUITY CONSIDERATIONS	5
3.2	TAXATION AND JUSTICE	6
3.3	ON THE ETHICS OF INCENTIVES	8
3.4	SIMPLICITY, TRANSPARENCY, AND STABILITY OF THE RULE OF LAW	10
4	TWO ADDITIONAL REFORM INITIATIVES	10
4.1	CRACKING DOWN ON INDIVIDUAL TAX EVASION	11
4.2	CURTAILING TAX AVOIDANCE BY MULTINATIONAL CORPORATIONS	11
5	SUMMARY	12
6	BIBLIOGRAPHY	13

Author:

Peter Dietsch is a philosopher and economist, and a professor in the Département de Philosophie de l'Université de Montréal. His research focuses on questions of economic ethics, including tax justice. He is the author of *Catching Capital – The Ethics of Tax Competition* (Oxford University Press, 2015). Dietsch is a member of the *College of New Scholars, Artists, and Scientists* of the *Royal Society of Canada*.

1 Introduction

This submission has three objectives. First, given that the public discussion on tax fairness often lacks structure, the text briefly presents the conceptual framework in which a debate about tax fairness should be located. The second objective consists in applying this conceptual framework to the three tax reforms proposed by the government, and to spell out the case for them from the perspective of tax fairness. Finally, I argue that implementing the proposed changes is likely to accentuate, and thus require action on, other instances of tax unfairness.

This submission focuses on the *ethical* dimensions of the envisaged reform: What are the criteria of equity and justice we should use to assess whether the reforms are a good idea or not? While sensitive to the technical aspects of taxation regarding the three reform proposals, these are not in the foreground of the analysis.

2 A primer on tax fairness

Our tax system is intrinsically connected to questions of fairness. Why? Because it directly impacts the distribution of benefits and burdens in our society.¹ The ways in which it does so can be easily discerned by considering the four main tasks that public finance theorists usually assign to the fiscal system:²

- a) raising revenue to finance public goods;
- b) redistributing income and wealth in line with our ideal of justice;
- c) dis-/incentivising certain kinds of (economic) behaviour, such as smoking, working, or investing; and
- d) smoothing the business cycle.

Especially the first two of these four tasks of the fiscal system raise important questions of fairness: What should be people's relative contribution to public goods? How progressive, and thus how redistributive, do we want the fiscal system to be?

Ultimately, there is no unique answer to these questions, but they should be delegated to democratic decision-making procedures. If voters have the choice between a variety of political parties that offer different responses to these questions, then they can choose the configuration that best corresponds to their collective political preferences. (*)

However, there are four general observations on tax fairness that apply independently of a community's actual preferences in terms of tax fairness. This means that one should subscribe to these observations *independently* of one's tolerance towards inequalities in income and wealth. They might seem abstract at first, but making them explicit will be

¹ The distribution of benefits and burdens lies at the heart of contemporary theories of justice. See e.g. John Rawls (1999).

² See for example Musgrave (1959).

essential for the discussion of the fairness of the reforms proposed by the government in subsequent sections.

2.1 Equity considerations

Public finance theorists have formulated two criteria of equity that a fiscal system should respect:

- i) *horizontal equity*, that is, the idea that if person A and person B have the same pre-tax income, they should also have the same post-tax income, and
- ii) *vertical equity*, that is, the idea that if person A has a higher pre-tax income than person B, then person A should pay more income taxes than person B (both in absolute terms and with respect to their average tax rates).

Note that these criteria are relatively weak. For instance, they do not tell us anything about what the relative size in the gap between pre- *versus* post-tax income should be. In other words, they do not tell us anything about the desired level of redistribution.

2.2 Taxation and justice

It is important to realise that the idea of tax justice is intrinsically linked to our theory of social justice more generally. In other words, you cannot say whether a given fiscal system is just or not without taking a stance on what constitutes the just distribution of income and wealth that this fiscal system is meant to promote.

For example, the very same fiscal structure (same tax brackets, same expenditures, etc.) might be considered just from the perspective of a relatively egalitarian society, but considered overly redistributive and hence unjust from the perspective of a society with relatively inegalitarian preferences. (see *)

One important point should be added here: Some people, notably libertarian theorists,³ have argued that any taxation is *prima facie* unjust, because it takes away some individual property from its rightful owner. While still influential in our societies, this argument is a non-starter. Even if one accepts that people have a right to the fruits of their labour, it is very implausible to think that market incomes adequately reflect the fruits of individual labour. For instance, market incomes do not distinguish between individual contributions and the productivity that results from cooperation with others, that is, from the social context that makes individual contributions possible.

Legal theorist Liam Murphy and philosopher Thomas Nagel have convincingly debunked the myth that we have a right to what the market pays us.⁴ What constitutes a just income depends, instead, on our theory of social justice. The fiscal system is the main instrument to ensure that the *post-tax* distribution of income corresponds to this theory of justice.

³ Nozick (1974) is one prominent example.

⁴ See Murphy and Nagel (2002).

2.3 On the ethics of incentives

As shown above, one of the tasks of the fiscal system is to encourage or discourage certain kinds of behaviour. For example, we tax cigarettes and alcohol in order to discourage smoking and drinking;⁵ we give tax breaks to foreign capital in order to encourage foreign direct investment.

The motivations for these fiscal measures vary. In the case of cigarettes, the motivation is largely paternalistic – the goal is to encourage individuals to reduce an activity that is not good for them. In other cases, for instance in the case of a carbon tax or a tax break for foreign investment, we are using the fiscal system to promote *other* social objectives such as limiting global warming or promoting employment respectively. It is crucial to highlight, and will become relevant in our analysis of the proposed reforms, that these other social objectives are distinct from social justice and can conflict with the demands of justice. To illustrate, think of the fact that consumption taxes such as taxes on alcohol, cigarettes, or fuel tend to be regressive, that is, poor people end up paying more relative to their income than rich people.

2.4 Simplicity, transparency, and stability of the rule of law

Already Adam Smith saw simplicity as one of the virtues of the tax system. Too complex a system of rules will prevent people from understanding these rules. With respect to the redistributive aspect of the fiscal system in particular, simplicity as well as transparency are necessary to ensure that justice is not only done but also seen to be done.

In addition, the tax system should be predictable enough for economic agents to form relatively stable expectations and make plans for the future.

3 The case in favour of the three proposed government reforms

It should be stated up front that all three proposed measures represent welcome reforms from the perspective of tax fairness. Before using the criteria laid out in section 2 to show why this is the case, one preliminary observation regarding the politics of tax reform should be made.

People have a hard time giving up what they have. As shown by Daniel Kahneman and Amos Tversky in their pioneering work on decision-making,⁶ also known as prospect theory, they show that human psychology exhibits a strong form of loss aversion. In other words, the pain of losing is greater than the pleasure from an equivalent gain. Why is this relevant here? It means that people who are set to lose a fiscal privilege in the course of a reform are likely to be upset and protest. In particular, given loss

⁵ These taxes *also* generate revenue for the government, but this motivation is usually considered secondary for this kind of measure.

⁶ See Kahneman and Tversky (1979).

aversion, their resistance to the reform in question is likely to be stronger, collectively, than the support from those who will benefit from the reform.

Politically, this puts governments pursuing fiscal reform in a tough spot. Even if the losers of the envisaged reform are in a minority, they are likely to put up significant political resistance. By contrast, the benefiting majority will be less vocal politically.

Two conclusions can be drawn from this: a) To the extent that the benefits from the reform are more dispersed (among a majority of voters) than the losses (among a minority), this is simply a political reality governments have to accept. b) To counter the asymmetry of loss aversion, governments will do well to highlight the benefits of a redistributive tax reform to those set to gain from it.

What does this mean in concrete terms? The current debate about the government plans in Canadian society has been dominated by upset professionals and small businesses complaining about the reforms. The government would be well advised to highlight to the majority of the population the ways in which they will gain. Simply stating the additional revenue the reforms will bring might be a less effective tool to do that (even though it is true that the majority will benefit from the additional public services the revenue could finance) than adopting a revenue-neutral reform that makes the consequences of tax fairness more tangible for the average Canadian.⁷

I now turn to applying the four criteria introduced in section 2 to the three reforms proposed by the government.

3.1 Equity considerations

The status quo violates both horizontal and vertical equity. Consider the following cases:⁸

1) **Income sprinkling:**⁹ Suppose person A and person B make the same income, \$216,000 say, but A has the option to incorporate while B does not. This means A will end up with a higher post-tax income than B, thus violating *horizontal* equity.

Similarly, suppose A makes \$216,000 and cannot incorporate, while B makes \$225,000 but does have this option. Using income sprinkling, B will end up with a lower tax bill in absolute terms and with a lower average tax rate, thus violating *vertical* equity.

If you think that these equity considerations are peripheral, because they “only” concern high-income earners, think again. The lost revenue due to income sprinkling puts pressure on government expenditures that benefit everyone.

Note also that the discussion about “hard-working” Canadians is both highly subjective and misleading in this context. To take but one example, it would be offensive for a

⁷ That said, this would mean that any tax *increases* would have pursued separately, which is subject to its own political feasibility constraints.

⁸ The examples provided in the government consultation document can be used to come to the same conclusions. See Department of Finance (2017; e.g. pp.13-15).

⁹ See also Bélec (2017) for an analysis of the tax justice of the incorporation of professionals in Québec.

doctor to suggest to the nurses in her team that she is more “hard-working” than them. The two jobs certainly come with different levels of training and responsibility, but that is why doctors make more money than nurses.

2) ***Holding passive investments inside a private corporation:*** Imagine Canadian TFSA (tax-free savings accounts) were only open to men. Such a policy would, rightly, be perceived as discriminatory and unjust.

Allowing some Canadians, those who own a private corporation, to benefit from lower taxes on capital accumulation, may be less blatantly unjust, but it amounts to an equivalent form of discrimination.

Violations of both horizontal and vertical equity result. (The examples are structurally similar to those given under income sprinkling, and I therefore skip them here.)

3) ***Converting income into capital gains:*** If person A can declare part of their income as capital gains, whereas B cannot, this again leads to violations of equity of the kind described above.

This raises the question of why there is a difference in the top personal income tax rate and the rate applicable to passive investments or capital gains in the first place. There is no good justification for this, but it is merely a reflection of the relative bargaining power of capital versus labour in recent decades. Due to the mobility of capital, governments have found themselves in a context of tax competition, where they in fact have an incentive to lower tax rates on capital.¹⁰ Tax competition is one of the underlying explanations of several instances of tax unfairness in our fiscal system today.

3.2 Taxation and justice

Importantly, this text does not presuppose any particular conception of justice. As mentioned in section 2, the precise contours of such a conception should instead be determined through the democratic process.

Therefore, the following analysis of the proposed reforms from the perspective of justice is *conditional*. It depends on an interpretation of the social context in which these reforms are proposed as well as the historical trajectory of the Canadian fiscal system that forms part of this context. Two things are of special importance here.

First, in order to assess the proposed abolition of the three tax advantages targeted by the government reforms – income sprinkling, passive investments within corporations, conversion into capital gains – it is important to understand the rationale that got these measures into the tax code to begin with.

It is fair to say, I submit, that the introduction of these measures itself was *not* based on arguments about tax fairness. In other words, previous governments did not say “Certain professional groups are not making enough money compared to what they contribute to society, let’s give them a tax break by allowing them to incorporate”; they did not say “Shielding passive investments or capital gains from taxation is a

¹⁰ See Dietsch (2015).

requirement of justice, because these income classes are paying more than their fair share.”

No, these measures were introduced on different grounds and *despite* their predictable negative effect on tax fairness. This matters, because it clearly undermines any resistance to the present reform proposals on the grounds that they are unfair.

What was the rationale, then, on the basis of which the three measures were adopted? Plausibly, two kinds of at times related considerations played a role here:

- a) *Bargaining power*: Specific professional groups such as doctors or entrepreneurs have effective political lobbies. In addition, as already mentioned, the mobility of capital confers capital owners considerable bargaining power compared to workers.
- b) *Promoting other social and political objectives*: Allowing doctors to incorporate and engage in income sprinkling, for instance, can be understood as an incentive for doctors to do their job, which is a particularly important one in our society. A parallel argument, though somewhat less forceful, can be formulated for the case of entrepreneurs. Similarly, offering tax shelters for passive investment within corporations or for capital gains can be construed as an incentive for subsequent active investment in the economy. I shall come back to these other social objectives in the next section.

Second, there exists a broad social and political consensus today that current inequalities in income and wealth are excessive. From this perspective, the three proposed reforms – all of which are likely to reduce inequalities – represent a step in the right direction.

Different conceptions of justice disagree about the acceptable *level* of inequalities. However, if one accepts that they all agree that *current* inequalities are above that level, then the three reform proposals are to be welcomed *from the perspective of justice*.¹¹ Many observers estimate that the proposed reforms would not have any tangible effect on anyone with an income below \$150,000. Abolishing loopholes for people with a higher income than that is a good thing from the viewpoint of justice.

In sum, two arguments have been made in this section: The tax breaks the government aims to abolish were based on a rationale other than justice to begin with, and today’s inequalities in income and wealth in Canada are excessive. Conditional on these premises, one can conclude, without anticipating any more substantive conception of justice to be determined by the democratic process, that the proposed government reforms represent a step in the right direction from the perspective of justice.

¹¹ Putting the equity considerations discussed earlier to one side, this conclusion means that while there might be some societies in which having fiscal provisions such as income sprinkling, lower tax brackets for passive investments with corporations, or the conversion of income into capital gains may be less problematic, or even unproblematic from the perspective of justice, the Canadian society in 2017 is not one of them.

3.3 On the ethics of incentives

Recall the four main tasks of the fiscal system presented at the beginning of section 2 (revenue-generation; redistribution; (dis-)incentivising certain types of behaviour; smoothing the business cycle). The previous section has argued that the initial rationale for introducing the measures the government now aims to abolish was based on the third task – incentives – rather than the second – redistribution.

This raises the following, important, question: Even if the government proposals represent a step in the right direction in terms of equity (criterion 1) and justice (criterion 2), are there any costs attached to the government's proposals in terms of other social objectives?

For this question, which lies at the heart of this section, it makes sense to analyse the first reform (income sprinkling) on the one hand, and treat the other two reforms (passive investment & capital gains) jointly on the other. In both cases, a key issue lies in evaluating the effectiveness of the policy measure to promote the social objective in question. For example, is income sprinkling effective in promoting doctors' work effort? Are there any alternative, potentially more effective, policy measures available to promote this objective?

1) *Income sprinkling:*

As argued in the previous section, income sprinkling was plausibly introduced in part due to the bargaining power of professional lobbies, and in part to incentivise them to do their job as a doctor, entrepreneur, and so on. Focusing on the latter aspect, the relevant question for the present policy context is the following: Will abolishing the possibility of income sprinkling negatively affect the economic choices these professional groups make?

This negative impact can in principle take two forms.¹² First, doctors, entrepreneurs, or other professional groups might reduce their work effort. The logic is simple: Since they need to pay more tax, work loses its attractiveness compared to leisure and, hence, people will decide to work less. However, most empirical studies on this question show that the labour supply of high-income individuals with respect to their marginal income tax rates is relatively inelastic.¹³ This means that when their effective tax rates goes up, the impact on their work effort tends to be small. Different explanations could be given for this fact: the sociological context of most work environments is often not as flexible as economic models assume; besides, people's identity is partly defined through their work, and they might therefore not want to work less. Be that as it may, this is good news for the current reform proposals: Despite the inevitable protest, we have few reasons to think that the professional groups in question will in fact reduce their work effort if income sprinkling becomes unavailable.

¹² See the literature on optimal tax theory, in particular the foundational text by Mirrlees (1971).

¹³ See e.g. Saez *et al.* (2009).

The second potential negative impact is that closing a legal loophole might drive some individuals into looking for illegal ways to reduce their tax bill. Especially for relatively well-off people who have the means to pay for professional tax advice, it is unfortunately reasonable to expect the abolition of income sprinkling to lead to a rise in tax evasion. I shall come back to this point in section 4.

In addition, we should ask whether there are any alternative policy measures available to incentivise doctors or entrepreneurs above and beyond currently existing ones, if such incentives are indeed deemed necessary. One might think of work conditions for doctors, or the regulatory environment for setting up corporations, for instance.

2) *Portfolio investment and capital gains:*

As argued in the previous section, these two measures were plausibly introduced in part in response to the bargaining power of capital, and in part as incentives to promote investment in the economy. This section focuses on the latter aspect. In particular, are these measures effective in promoting investment and how do they compare to alternative measures?

The key issue here is how the tax savings in question will be used. Will individuals who benefit from the passive investment or the capital gains clauses indeed use these tax savings for productive investment or, alternatively, will they use them to buy existing assets such as stocks, houses, land, or art?

The simple answer is “A bit of both.” However, note two things. First, the more these tax savings are used to purchase existing assets, the less effective they are with respect to the declared objective of promoting real investment. Second, we know that in periods of economic downturn, individuals are more likely to shy away from the risks associated with productive investment and tend to go for existing assets instead. If you need convincing on this point, take a look at stock or housing markets since the financial crisis of 2007-8. In other words, the kinds of fiscal incentives at issue here are *least* effective when they are needed *most*.

If one intends to promote investment generally or investment in specific areas such as small businesses, then other, more effective, means are available. As the government consultation document emphasizes, Canada already has the lowest small business corporate income tax rate among G7 countries.¹⁴ *If*, and I am not taking a position on this issue here, one considers that more action is needed in this regard, then lowering the small business rate further represents a more effective lever than the two measures the government proposes to abolish. Similarly, *if* one considers that specific measures are needed to allow Canadians to pass on family businesses between generations, then specific measures are likely to be more effective than the tax breaks targeted by current reform proposals.

¹⁴ See Department of Finance (2017, p.9).

3.4 Simplicity, transparency, and stability of the rule of law

All three of the measures targeted by the proposed reform render the Canadian tax code more obscure. They create situations in which people, using legal means, do not end up paying the nominal marginal income tax rate that at first glance applies to them.

This is problematic and, as shown above, violates basic principles of equity. When comparing their pre-tax income with someone else's, people should be in a position to gauge their relative post-tax income. Against this background, the case for the proposed reforms can be made stronger by appealing to considerations of simplicity and transparency. They contribute not only to tax fairness being done, but to the perception of tax fairness being done. This fosters trust in the system and, ultimately, tax compliance as well.

However, there is one complicating factor in the present context: In recent years, governments (federal and provincial) have *encouraged* taxpayers to make use of the various tax breaks (incorporation; passive investment; capital gains) to reduce their tax bill. A case can therefore be made that the reforms undermine the stability of the rule of law. There is a simplistic and a reasonable version of this objection.

The simplistic version states that people have formed expectations on the basis of current law, and that this is sufficient to argue against the proposed reforms. If this were true, no redistributive fiscal reform would ever see the day.

The reasonable version states that since governments explicitly encouraged taxpayers to make use of the three instruments to reduce their taxes, governments' obligation to offer some kind of transition period to revise one's plans is more substantive compared to a situation where there had been no explicit encouragement.

4 Two additional reform initiatives

Policy changes always trigger behavioural changes. Governments cannot assume that individuals or corporations will continue to behave in the same way after any given reform compared to before. In the present case, implementing the three changes the government proposes will have both intended and unintended consequences. The principal intended consequence is to make the Canadian tax system fairer, and the previous section has argued that this would indeed be the case.

This section focuses on two unintended consequences that also fall into the domain of tax fairness. Arguably, the *intended* reduction in tax unfairness through the threefold reform will accentuate two other kinds of tax unfairness in the Canadian tax system. Given that the government has acknowledged the importance of tax fairness, a move that deserves unqualified praise, one would expect them to be moved by considerations of coherence and address these other types of tax unfairness, too.

4.1 Cracking down on individual tax evasion

As argued in the discussion of income sprinkling in section 3.3, tax increases potentially lead to two changes in behaviour: reduced work effort (unlikely for high-income individuals) and tax evasion (likely for high-income individuals).

It is the second of these changes that concerns us now. Combatting tax evasion is already a central plank of the Canadian government's tax policy. As a member of the OECD, Canada is a signatory of the latter's Common Reporting Standard (CRS) approved in 2014,¹⁵ and of the organisation's multiple initiatives to combat tax evasion. Much progress has been made on this issue, in particular since the financial crisis gave revenue-strapped governments an incentive to cooperate.

However, measures to date have arguably only scratched the surface.¹⁶ Since the three proposed reforms raise the effective tax rate on some high-income Canadians, the government would be well advised to anticipate a spike in tax evasion and take appropriate measures. These include:

- a *wealth-registry* that requires disclosure of the beneficial owners of all Canadian assets;
- as a logical consequence of a wealth registry, the *abolition of blind trusts*, which precisely allow the beneficial owner to hide their identity, would also be required;
- given the direct involvement of the tax avoidance industry (certain banks, law firms, and accountancy firms) that assists individuals in designing tax evasion strategies, introducing *criminal charges* against tax advice that directly results in tax evasion should be considered;
- more generally, a stricter *enforcement* of existing laws against tax evasion.

Just like in the three reforms tabled by the government, tax evasion represents a phenomenon where some people get away with not paying their fair share. Implementing the proposed reforms will put tax evasion back in the political spotlight.

4.2 Curtailing tax avoidance by multinational corporations

Section 3 has argued that the proposed reforms should be adopted. That said, I acknowledged that closing these loopholes might increase the tax bill of some Canadian taxpayers, including some small businesses.

A second unintended consequence of the reforms would be to exacerbate an already existing asymmetry between small- and medium-sized enterprises that operate in Canada *versus* corporations that operate internationally.

The latter standardly use practices of tax avoidance to reduce their tax bills. In contrast to tax evasion, tax avoidance is legal, even though it usually violates the spirit of the law. It allows multinationals to have economic activities in one jurisdiction while declaring

¹⁵ See <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>.

¹⁶ Zucman (2013) argues that 8% of the financial wealth of households worldwide is held in tax havens.

the profits from this activity in another, lower-tax jurisdiction.¹⁷ Tax avoidance is clearly another case of tax unfairness.¹⁸ Once again, as a member of the OECD, Canada is already committed to reducing tax avoidance.¹⁹

While first steps have been taken to fight tax avoidance, the impact on multinational enterprises (MNEs) has thus far been moderate. If adopting the three reforms proposed by the government has the effect of raising the effective tax rate on small- and medium sized Canadian businesses, they will have a legitimate complaint that they are being held to a different standard than MNEs.

To be coherent and promote tax fairness across the board, the government should thus adopt additional measures to close tax avoidance loopholes for MNEs. In particular, a unitary tax with formulary apportionment should be seriously considered as a more effective alternative to the BEPS initiative championed by the OECD. Under such a tax, the profits of MNEs are calculated on a global basis, before factors such as assets, payroll, and sales are used to determine the right of individual countries to tax a certain share of these profits. Experts consider this approach to be more effective than the strategy adopted by the OECD.²⁰ Implementing it calls for international cooperation on tax policies, but importantly it does not require the harmonisation of tax rates.

5 Summary

The foregoing analysis has shown that, assessed on the basis of the four criteria introduced in section 2, there is a strong case in favour of the tax reforms proposed by the government. They represent important steps towards tax equity and tax justice. Moreover, and just as importantly, I have shown that the countervailing considerations in terms of other policy objectives are weak: Not because these other policy objectives such as incentivising doctors or promoting investment are unimportant, but because better means are available to promote them.

Finally, section 4 has argued that promoting tax fairness in the way proposed by the government will likely exacerbate other kinds of tax unfairness. In particular, individual tax evasion will be on the rise, and the discrepancy in the treatment of national *versus* international enterprises will be accentuated. The government should anticipate these effects and adopt complementary measures.

¹⁷ For a recent comprehensive report on tax avoidance in the United States, see <https://itep.org/the-35-percent-corporate-tax-myth/>.

¹⁸ See e.g. Dietsch and Rixen (2014).

¹⁹ Notably through the Base erosion and profit shifting (BEPS) initiative of the OECD. See <http://www.oecd.org/tax/beps/>.

²⁰ See e.g. Avi-Yonah (2016).

6 Bibliography

- Reuven Avi-Yonah, “A Proposal for Unitary Taxation and Formulary Apportionment (UT+FA) to Tax Multinational Enterprises”, in: Peter Dietsch and Thomas Rixen (eds.), *Global Tax Governance – What is Wrong With It and How to Fix It*, Colchester: ECPR Press, 2016.
- Guillaume-Christopher Bélec, “S’opposer à l’incorporation des professionnels au Québec: une question de justice sociale”, mémoire de maîtrise, Département de Philosophie, Université de Montréal, 2017.
- Department of Finance, “Tax Planning Using Private Corporations”, <https://www.fin.gc.ca/activty/consult/tppc-pfsp-eng.pdf>.
- Peter Dietsch, *Catching Capital – The Ethics of Tax Competition*, New York: Oxford University Press, 2015.
- Peter Dietsch and Thomas Rixen, “Tax Competition and Global Background Justice”, *Journal of Political Philosophy* 22/2 (2014): 150-77.
- Institute on Taxation and Economic Policy, *The 35 Percent Corporate Tax Myth*, report published March 9, 2017, <https://itep.org/the-35-percent-corporate-tax-myth/>.
- Daniel Kahneman and Amos Tversky, “Prospect Theory: An Analysis of Decision under Risk”, *Econometrica* 47/2 (1979): 263-91.
- James A. Mirrlees, “An Exploration in the Theory of Optimum Income Taxation”, *Review of Economic Studies* 38/2 (1971): 175-108.
- Liam Murphy and Thomas Nagel, *The Myth of Ownership: Taxes and Justice*, Oxford: Oxford University Press, 2002.
- Richard A. Musgrave, *The theory of public finance: a study in public economy*, McGraw-Hill, 1959.
- Robert Nozick, *Anarchy, State and Utopia*, New York: Basic Books, 1974.
- Organisation for Economic Co-operation and Development (OECD), initiative on base erosion and profit shifting (BEPS), <http://www.oecd.org/tax/beps/>.
- Organisation for Economic Co-operation and Development (OECD), common reporting standard, <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/>
- John Rawls, *A Theory of Justice*, 2nd edition, Oxford: Oxford University Press, 1999.
- Emmanuel Saez, Joel B. Slemrod and Seth H. Giertz, “The elasticity of taxable income with respect to marginal tax rates: a critical review”, *NBER Working Paper* 15012.
- Gabriel Zucman, *The Hidden Wealth of Nations*, Chicago: University of Chicago Press, 2015.