

CANADA

INSTITUT ÉCONOMIQUE DE MON- TREAL

Y. Chassin et G. Belzile, « Peut-on se débarrasser du pétrole? Les coûts d'une transition énergétique accélérée », Les cahiers de recherche, 11 décembre 2014, 44 pages.

Quels sont les coûts associés à une économie plus verte?

Les politiques pouvant accélérer le passage vers des énergies vertes sont généralement présentées sous l'angle de leurs avantages, mais rarement de leurs coûts. Ce cahier de recherche propose de remédier à cette lacune dans le débat public. On y examine les coûts de propositions faites par les groupes environnementalistes québécois Équiterre et Vivre en ville pour réduire rapidement la consommation de pétrole, ainsi que la volonté des citoyens du Québec et du reste du Canada d'assumer ces coûts.

INSTITUT DE LA STATISTIQUE DU QUEBEC

M.-A. Gauthier, « L'endettement des familles québécoises : une comparaison Québec, Ontario, Canada », février 2015, 24 pages.

Entre 1999 et 2012, l'endettement moyen des ménages québécois a doublé, passant de 35 100 \$ en 1999 à 69 200 \$ en dollars constants de 2012.

Parallèlement, la valeur moyenne des actifs a crû considérablement, soit de 295 900 \$ à 544 800 \$. Cependant, on n'observe pas un accroissement de l'endettement des ménages au Québec, le ratio des dettes sur les actifs se maintenant

autour de 12 %. Par ailleurs, les ratios dette/actif des ménages québécois tendent à se comparer avantageusement à ceux des ménages ontariens et canadiens. Toutefois, le bilan financier des ménages québécois pourrait se dégrader advenant une dévaluation marquée du prix des propriétés et une hausse importante des taux d'intérêt.

La croissance de
l'endettement
des ménages
québécois a été
compensée par
la hausse de la
valeur de leurs
actifs.

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INSTITUT DE RECHERCHE EN POLITIQUES PUBLIQUES

S. Tapp, « The Canadian economy and policy in 2014 », 27 décembre 2014, 8 pages.

Les dix faits saillants de
l'économie et de la politique
canadienne en 2014.

One of these 10 facts is the drop of oil prices. If lower oil prices persist, investment in the resource sector will slow further. There will also be disparate regional impacts: the share of Canada's economy generated by the resource-rich provinces (Alberta, Saskatchewan and Newfoundland and Labrador) will reverse some of the past decade's gains, the question is how much, as the central provinces of Ontario and Quebec enjoy some upside from the combination of a stronger US economy and a weaker exchange rate.

INSTITUT DE RECHERCHE EN POLITIQUES PUBLIQUES

S. Tapp, « Surprising central banking: Why Poloz wants “insurance” », 22 janvier 2015, 3 pages.

Quels sont les impacts de la chute du prix du pétrole pour l'économie canadienne?

The recent drop in oil prices is a major shock to the Canadian economy. It's caused the government to delay the federal budget, and it's a key reason for the Bank of Canada's surprise interest rate cut. The Bank's move is fascinating precisely because central

banks generally avoid surprises. (Though, this past week alone has seen three bold and unexpected central bank actions: Canada's rate cut, India's, and the Swiss abandoned currency target.) The rationale the Bank of Canada gave was to provide « insurance » against downside risks.

KPMG

KPMG, « L'OCDE tente d'améliorer la résolution des différends en matière de conventions fiscales », 8 janvier 2015, 4 pages.

L'OCDE reconnaît que, malgré les multiples tentatives visant à améliorer l'efficacité des

mécanismes de règlement des différends, il reste encore des progrès à réaliser.

Les sociétés qui exercent des activités transfrontalières pourraient avoir intérêt à formuler des commentaires à l'égard des nouvelles propositions de l'Organisation de coopération et de développement économiques (« OCDE ») visant à améliorer la procédure amiable (« PA ») conçue pour aider les contribuables à résoudre des différends entre les pays, y compris des cas de double imposition ou d'imposition contrevenant à une convention fiscale.

KPMG

KPMG, « Nouveau régime mondial de TVA/TPS pour les ventes internationales de services et de biens incorporels », 29 janvier 2015, 6 pages.

Les entreprises qui vendent des services et des biens incorporels à d'autres entreprises ou consommateurs à l'étranger pourraient devoir changer leur manière de percevoir la taxe sur la valeur ajoutée

(« TVA ») et la taxe sur les produits et services (« TPS ») sur ces transactions, si de nombreux pays adoptent les Principes directeurs internationaux pour la TVA/TPS de l'Organisation de coopération et de développement économiques (« OCDE »). Certains pays ont déjà modifié leurs régimes fiscaux afin qu'ils cadrent davantage avec les principes directeurs de l'OCDE, et d'autres pourraient leur emboîter le pas sous peu.

Le fardeau de perception des taxes à la consommation par les entreprises pourrait s'alourdir.

ERNST & YOUNG

Ernst & Young, « Invoices of accommodation: Important Federal Court of Appeal decision in Salaison Lévesque Inc. », 21 janvier 2015, 5 pages.

La CAF donne raison au contribuable pour des crédits de taxe sur les intrants qui lui avaient été refusés par l'Agence du revenu du Québec.

On 17 December 2014, the Federal Court of Appeal (FCA) upheld the decision of the Tax Court of Canada (TCC), which allowed the taxpayer's appeal for input tax credits (ITCs) that had been disallowed by the Agence du revenu du Québec (Revenu Québec) in respect of the

goods and services tax (GST) paid to certain placement agencies that had not remitted the GST collected to the tax authorities. In upholding the TCC decision, the FCA noted that the trial judge was right to conclude that Revenu Québec's position was unfounded given that Salaison Lévesque Inc. (SLI) had adduced sufficient evidence to demonstrate that the three placement agencies involved (Agencies) carried on commercial activities and had in fact rendered the services indicated on the invoices issued to SLI.

ERNST & YOUNG

Ernst & Young, « *Dramatic change in customs policy on transfer pricing downward adjustments: new reporting requirements and duty refund opportunities* », 23 janvier 2015, 4 pages.

Excellente nouvelle pour les importateurs de marchandises assujetties à des droits de douane achetées dans le cadre de transactions avec une partie liée.

The Canada Border Services Agency (CBSA) has released Customs Notice N-15-001, removing a longstanding barrier to filing import duty refund claims pursuant to downward transfer pricing (TP) adjustments based on post-import amended declared values. This is a dramatic change in policy and very good news for importers of dutiable goods purchased in related-party transac-

tions, as refund claims can be made. The CBSA had generally refused to issue a refund of customs duties in circumstances where a downward TP adjustment results in a reduction in the "price paid or payable" (PPP) of dutiable goods. However, it also means that downward TP adjustments must now be declared by way of voluntary amendments to self-correct the original declaration within 90 days of having "reason to believe" (the point when the TP adjustment is finalized for tax purposes for a fiscal period) for revenue-neutral adjustments (as was always the case for upward adjustments). This presents additional compliance burdens, which, if not met, will result in penalties. It can be expected that the CBSA will conduct more valuation audits (verifications) to ensure compliance and to offset revenue losses from duty refunds. The Customs Notice also applies to unrelated party transactions for post importation discounts where rebate or price reduction mechanisms are in place pursuant to a legally binding agreement. This will trigger potential duty refunds for up to four years in appropriate circumstances (the CBSA had previously taken the position that the discounts must be reflected on the invoice or other documents used to account for the goods at the time of importation).



ÉTATS-UNIS

CONGRESSIONAL BUDGET OFFICE

Congressional Budget Office, « *Taxing Capital Income: Effective Marginal Tax Rates Under 2014 Law and Selected Policy Options* », 18 décembre 2014, 53 pages.

The federal tax treatment of capital income affects investment incentives, both for the amounts invested and for allocations among assets. When tax rates are high, investors require higher before-tax rates of

return and thus forgo investments with lower returns that they otherwise would have made.

Quelles sont les options permettant de modifier efficacement la taxe sur le capital?

Current law produces significant variations in the taxation of capital income from different investments, thus leading investors to require higher before-tax rates of return on some investments than on others. Those differences reduce economic efficiency—the extent to which resources are allocated to maximize before-tax value. CBO examined three sets of policy options for changing the taxation of capital income. The options in the first group would lower the overall ETR on capital income; those in the second group would eliminate the current favorable tax treatment for certain types of capital income and raise the overall ETR on capital income; and those in the third group would narrow the disparities between the tax rates for various investments while leaving the overall ETR unchanged. CBO's analysis does not account for changes in taxpayers' behavior in response to those options.

UNITED STATES SENATE COMMITTEE ON FINANCE

Republican Staff of the Committee on Finance, « [Staff Report on Comprehensive Tax Reform for 2015 and Beyond](#) », 18 décembre 2014, 340 pages.

Plusieurs options s'offrent aux États-Unis dans le cadre d'une possible réforme fiscale.

The report is intended to provide background on where we are and where we have been with regard to our tax system as well as some possible direction on where the reform

efforts should go in the near future. The author believe it will be helpful both to tax experts and academics, as well as those who do not spend all their days steeped in these issues.

NATIONAL TAX JOURNAL

J. R. Harvey, Jr., « [Corporate Tax Aggressiveness - Recent History and Policy Options](#) », 67 National Tax Journal 831-850 (Décembre 2014).

This paper examines corporate tax aggressiveness from the 1990s to 2014. The paper also discusses various public indicia of corporate tax aggressiveness and analyzes selected data

from 21 public companies. Finally, the paper discusses several policy options for further reducing corporate tax aggressiveness, including: (1) improvements to the IRS whistleblower program, (2) increased transparency, and (3) changes to the penalty structure surrounding aggressive tax positions.

Quelles sont les façons de réduire les planifications agressives des sociétés?

NATIONAL TAX JOURNAL

R. C. Williams III et al., « [The Initial Incidence of a Carbon Tax Across U.S. States](#) », 67 National Tax Journal 807-830 (Décembre 2014).

Carbon taxes introduce potentially uneven cost burdens across the population. The distribution of these costs is especially important

in affecting political outcomes. This paper links dynamic overlapping-generations and microsimulation models of the United States to estimate the initial incidence of a carbon tax across states. Geographic differences in incidence are driven primarily by differences in sources of income. Differing patterns of energy use also matter but are relatively less important. The use of the carbon tax revenue plays an important role, particularly in determining how different income sources are affected, as: (1) using carbon tax revenue to cut capital taxes disproportionately benefits states with large shares of capital income; (2) returning the revenue via lump-sum transfers favors relatively low-income states; and (3) returning the revenue via cuts in labor taxes provides a relatively even distribution of cost across states. In general, geographic differences in incidence are substantially smaller than the differences across income groups.

La taxe sur le carbone profite-t-elle davantage à certains États?

TAX POLICY CENTER

R. Altshuler, S. Shay et E. Toder, « [Lessons the United States Can Learn From Other Countries' Territorial Systems for Taxing Income of Multinational Corporations](#) », 21 janvier 2015, 57 pages.

Est-ce que les États-Unis peuvent apprendre des autres pays sur la taxation des multinationales?

The United States has a worldwide system that taxes the dividends its resident multinational corporations receive from their foreign affiliates, while most other countries have territorial systems that ex-

empt these dividends. This report examines the experience of four countries – two with long-standing territorial systems and two that have recently eliminated taxation of repatriated dividends. We find that the reasons for maintaining or introducing dividend exemption systems varied greatly among them and do not necessarily apply to the United States. Moreover, classification of tax systems as worldwide or territorial does not adequately capture differences in how countries tax foreign-source income.

URBAN INSTITUTE

L. Burman et N. Phunge, « [Distributional Effects of the President's New Tax Proposals](#) », 30 janvier 2015, 13 pages.

Les propositions de la Maison Blanche veulent augmenter les impôts des ménages à revenus élevés et diminuer ceux avec les revenus inférieurs.

The White House announced a package of tax proposals as part of what President Obama called “Middle Class Economics” in the State of the Union Address. This paper summarizes and discusses TPC’s distributional estimates, focusing on the distribution of all income tax cuts, the major tax cut provisions, and the largest tax increase provisions including the new fee on finan-

cial institutions. The tax cuts primarily benefit low-income single workers and working age households with children. The income tax increases primarily affect those with very high incomes and those with a substantial amount of capital assets.



INTERNATIONAL

SOCIAL SCIENCE RESEARCH NETWORK

A. Ljungqvist et M. Smolyansky, « [To Cut or Not to Cut? On the Impact of Corporate Taxes on Employment and Income](#) », 11 décembre 2014, 62 pages.

Do corporate tax increases destroy jobs? And do corporate tax cuts boost employment? Answering these questions has proved empirically challenging. We propose an identification strategy that exploits variation in corporate income tax rates across U.S. states.

Les réductions d'impôt des sociétés ne favoriseraient l'emploi de manière significative que lors des périodes de récession.

Comparing contiguous counties straddling state borders over the period 1970 to 2010, we find that increases in corporate tax rates lead to significant reductions in employment and income. We find little evidence that corporate tax cuts boost economic activity, unless implemented during recessions when they lead to significant increases in employment and income. Our spatial-discontinuity approach permits a causal interpretation of these findings by both establishing a plausible counterfactual and overcoming biases resulting from the fact that tax changes are often prompted by changes in economic conditions.

SOCIAL SCIENCE RESEARCH NETWORK

A. Christians, « [Lux Leaks: Revealing the Law, One Plain Brown Envelope at a Time](#) », 22 décembre 2014, 9 pages.

L'affaire
LuxLeaks - Les
règles de
fiscalité
internationale
sont-elles
réellement
respectées par
les
gouvernements?

A group of journalists recently revealed “LuxLeaks”: a set of documents showing that Luxembourg’s tax authority has been systemically delivering secret deals to multinationals. In this column, I explain why LuxLeaks has revealed a feature, not a bug,

in the international tax system. Governments around the world have intentionally placed much of international tax law outside of public view -- in letter rulings like Luxembourg’s, but also in other agency-level decision-making processes, notably in the context of tax treaty dispute resolution. The outcomes of these confidential processes are surely the world’s largest collection of the “real” law of international taxation. But law should not be something discovered through leaks to journalists. Lawmakers could alter this flawed status quo with greater disclosure. I conclude that they don’t appear to favor this approach, but they should.

INTERNATIONAL TAX REVIEW

K. Brockman, « BEPS – Preventing treaty abuse: A practical perspective », 27 janvier 2015, 4 pages. (Veuillez noter qu’il faut s’abonner aux publications du *International Tax Review* pour consulter ce document.)

Comment
faciliter
l'implantation
de l'action 6 du
projet de BEPS
de l'OCDE.

Keith Brockman, global tax director at Mars and author of the International Tax Best Practices blog, analyses BEPS Action 6 on preventing treaty abuse, calling for more balance in seeking to avoid

double taxation and double non-taxation, and more guidance on the interplay between domestic law and treaty interaction.

INTERNATIONAL TAX REVIEW

M. McBride, « UK urgently considers oil investment allowance to remedy ‘hostile tax regime’ », 30 janvier 2015, 3 pages. (Veuillez noter qu’il faut s’abonner aux publications du *International Tax Review* pour consulter ce document.)

Amid collapsing oil prices, the recent 2% tax reduction for British oil exploration companies is not enough, say tax advisers and analysts. North Sea oil companies say that their ability to stay competitive in the long term will be severely shaken unless steps are taken to alleviate the tax burden.

La réaction du
Royaume-Uni
face aux
difficultés des
compagnies
pétrolières.



DIVERS

SOCIAL SCIENCE RESEARCH NETWORK

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A. J. Hoffer, R. Gvillo et W. F. Shughart II., « Selective Consumption Tax Policy and Income-Expenditure Elasticities of Obesity-Linked Consumption Goods », 4 décembre 2014, 24 pages.

L'imposition de la malbouffe et
des autres biens de
consommation nocifs pour la
santé affecterait davantage les
foyers à faibles revenus.

The objective: To identify how consumption of 12 goods – alcohol, cigarettes, fast food, items sold at vending machines, purchases of food away from home, cookies, cakes, chips, candy, donuts, bacon, and carbonated soft drinks – varies across the income distribution by calculating their income-expenditure elasticities. Design and Methods: Data on 20,040 households from 2009-2012 from the Bureau of Labor Statistics’ Consumer

Expenditure Survey were used. The data were analyzed using ordinary least squares regressions and Cragg's double hurdle model which integrates (i) a binary model to determine the decision to consume and (ii) a truncated normal model to estimate the effects for conditional ($y > 0$) consumption. Results: Income had the greatest effect on expenditures for alcohol (0.314), food away from home (0.295), and fast food (0.284). A one percentage-point increase in income (approximately \$428 at the mean) translated into a 0.314 percentage-point increase in spending on alcoholic beverages (approximately \$1 annually at the mean). Income had the smallest influence on tobacco expenditures (0.007) and donut expenditures (-0.009). Conclusion: Percentage of a household's discretionary budget spent on the studied goods falls substantially as income gets larger. Policies targeting the consumption of such goods will disproportionately impact lower-income households.

SOCIAL SCIENCE RESEARCH NETWORK

M. Bhai, « *Understanding the Gradient in Children's Health: Cigarette Taxes, Asthma, and Inequality* », 7 décembre 2014, 43 pages.

L'imposition des produits du tabac pourrait considérablement réduire la prévalence de l'asthme chez les jeunes enfants.

The origins of inequality have roots in childhood. Childhood asthma, the most common disease affecting children, disproportionately affects minority and lower SES children. Decades of research shows a strong association between to-

bacco exposure and respiratory illnesses. By exploiting exogenous variation in cigarette taxes across states and time, I estimate the causal impact of early life tobacco exposure on measures of children's well-being such as asthma, asthma severity, self-reported health, and school absences. I find economically and statistically significant impacts of cigarette taxes in improving children's health: a one dollar increase in cigarette taxes reduces the prevalence of asthma by 3.4 percentage points, and raises school attendance

by nearly half a day. The largest reductions in asthma are seen in children from the poorest households. Subsequently, decomposing the asthma gap reveals that differences in responses to cigarette taxes by SES can explain three quarters of the gap in asthma prevalence.

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