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CANADA

INSTITUT C.D. HOWE

Alexandre Laurin, *Le Budget 2010 du Québec : Effets sur la taille et la progressivité du fardeau fiscal*, no 132, juillet 2010, 11 pages.

http://www.cdhowe.org/pdf/backgrounder_132.pdf

Le Budget 2010 du Québec : un compromis raisonnable entre la juste répartition de l'impôt et l'efficacité économique.

● Le budget de 2010 du Québec en a fait réagir plus d'un. En particulier, plusieurs reprochent aux nouveaux prélèvements fiscaux – dont la nouvelle contribution santé – d'être injustes envers les moins nantis, c'est-à-dire de ne pas respecter le principe d'équité entre les plus riches et les plus pauvres selon lequel la part du fardeau fiscal d'un contribuable devrait augmenter en fonction de son revenu. Or, la fragilité de la reprise économique et de l'état des finances publiques exige que l'on porte une attention particulière aux impacts économiques potentiels. Dans la mesure où tous profitent du maintien des services publics et que le système demeure largement progressif, les mesures fiscales annoncées dans le dernier budget du Québec semblent parvenir à un compromis raisonnable entre la juste répartition de l'impôt et l'efficacité économique. Cet objectif est important pour l'accomplissement d'un Québec prospère qui a les moyens de ses ambitions.

INSTITUT ÉCONOMIQUE DE MONTRÉAL

Éric Duhaime, *Note économique sur le financement à long terme du Régime de rentes du Québec*, mai 2010, 4 pages.

http://www.iedm.org/uploaded/pdf/mai2010b_fr.pdf

Réformer le RRQ pour redonner le contrôle au travailleur.

● La crise des régimes de retraite due au vieillissement de la population frappe partout en Occident, mais le Québec est particulièrement touché par ce phénomène. Le financement à long terme du Régime de rentes du Québec (RRQ) préoccupe et les experts estiment que des changements doivent être apportés pour assurer sa viabilité. Comme par le passé, une nouvelle hausse des cotisations est proposée pour équilibrer la réserve du programme. D'autres pays ont dû réformer leur régime public de retraite au cours des dernières décennies et l'un d'entre eux – le Chili – s'est démarqué par son succès et a inspiré une trentaine d'autres États. Pouvons-nous également tirer des leçons de leur expérience?

Germain Belzile, *Note économique sur le financement des universités*, juin 2010, 4 pages.
http://www.iedm.org/uploaded/pdf/juin2010_fr.pdf

La hausse des droits de scolarité réduirait-elle l'accessibilité aux études universitaires?

- En février 2004, l'IEDM publiait une *Note économique sur les droits de scolarité et leur effet sur l'accessibilité aux études universitaires*. Depuis, le gouvernement du Québec a annoncé une hausse cumulative de ces droits de 50\$ par trimestre de 2007 à 2012. On ignore toujours quelle sera la politique adoptée après 2012. À ce jour, les droits de scolarité québécois sont toujours inférieurs à leur seuil de 1994-1995 en dollars constants. Cette *Note économique* constitue une mise à jour qui vise à faire le point sur la situation des droits de scolarité universitaires au Québec.

MINISTÈRE DES FINANCES DU QUÉBEC

Québec, ministère des Finances, *Statistiques fiscales des particuliers : année d'imposition 2007*, juin 2010, 338 pages.

http://www.finances.gouv.qc.ca/documents/Statistiques/fr/STAFR_sfp_2007.pdf

Statistiques fiscales des particuliers : 2007.

- Le sommaire des statistiques fiscales présente une vue d'ensemble du régime québécois d'imposition sur le revenu des particuliers pour l'année d'imposition 2007. La section 1 présente les résultats consolidés, pour l'ensemble des contribuables, de l'impôt à payer et des principales composantes servant à son calcul. Les sections 2 et 3 présentent, respectivement, un profil détaillé des composantes des déclarations de revenus des particuliers ainsi que leur évolution par rapport à 2006. Enfin, la section 4 présente l'évolution de 1980 à 2007 du nombre de contribuables, du revenu total, du revenu imposable et de l'impôt total à payer.

TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

Table ronde nationale sur l'environnement et l'économie, *À la hauteur : Analyse comparative de la compétitivité du Canada dans un monde faible en carbone*, 2010, 128 pages.

<http://www.nrtee-trnee.com/fra/enjeux/programmes/prosperite-climatique/analyse-comparative/analyse-comparative-fra.pdf>

Analyse comparative de la compétitivité du Canada dans un monde faible en carbone.

- Ce nouveau rapport, *À la hauteur : Analyse comparative de la compétitivité du Canada dans un monde faible en carbone*, est le premier d'une série de rapports que la TRNEE publiera pour examiner comment le Canada peut assurer sa prospérité dans le contexte des risques et des occasions présentés par le changement climatique dans le cadre de la transition mondiale vers une économie faible en carbone. À la hauteur prépare le terrain pour nous. Le rapport présente le tout premier indice de rendement à faible production de carbone (IRFPC) du Canada, ce qui nous permettra de commencer à établir des comparaisons avec nos concurrents du G8. Alors que le monde se dirige vers une économie faible en carbone, le Canada peut gagner ou perdre. Le choix nous appartient. Bien que la transition soit inévitable, les résultats pour notre pays ne le sont pas. Pour réussir et prospérer dans cette transition mondiale vers une économie faible en carbone, nous devons d'abord déterminer où nous nous situons par rapport aux autres. Nous pouvons utiliser cette information pour déterminer où et comment planifier pour obtenir les meilleurs résultats. L'IRFPC de la TRNEE ouvre de nouveaux horizons en illustrant ce qui compte le plus et pourquoi en matière de diminution des émissions de carbone. Cet indice est un premier pas et non le dernier dans le recensement des éléments dont nous devons faire le suivi pour assurer notre succès concurrentiel en matière de réduction des émissions de carbone. Il présente un intérêt pour les gouvernements, l'industrie, les investisseurs, les éducateurs et les médias. Il ouvre une discussion nécessaire en matière de politique publique sur les orientations stratégiques que nous devons adopter et pourquoi nous devons le faire, pour connaître le succès dans la transition vers une économie mondiale faible en carbone.



CENTER ON BUDGET AND POLICY PRIORITIES

James R. Hornay, Kathy A. Ruffing et Paul N. Van de Water, *Fiscal Commission Should not Focus on Gross Debt: Policymakers Should Aim to Stabilize Debt Held by the Public as a Share of GDP*, 21 juillet 2010, 9 pages.

<http://www.cbpp.org/files/7-21-10bud.pdf>

Dettes : Tenir compte des dettes entre les différents paliers de gouvernement à l'intérieur des États-Unis fausse le portrait global.

- A call by several members of the President's Commission on Fiscal Responsibility and Reform for the commission to focus on the federal government's gross debt, rather than debt held by the public, is misguided and could inhibit efforts to address the nation's long-term fiscal challenges. There is no question that the long-term fiscal problem is extremely challenging. But it would be a mistake to complicate that challenge even more by adopting a misplaced focus on the wrong target. The deficit commission, which has the potential to educate policymakers and the public about our fiscal challenge and the need to begin putting measures into effect to deal with it after the economy recovers, should not add to confusion by adopting a fiscal target that does not make sound economic sense.

Gillian Brunet et Chye-Ching Huan, *Unlimited Estate Tax Exemption For Farm Estates Is Unnecessary And Likely Harmful*, 29 juin 2010, 7 pages.

<http://www.cbpp.org/files/6-29-10tax.pdf>

L'exemption totale d'impôt pour les successions agricoles : remède de cheval pour maladie imaginaire.

- Proponents of repealing the estate tax have made farmers, along with small business, the face of their cause, driving some policymakers to push for special preferences for farms in estate tax law. One of the most radical of these proposed changes is an unlimited estate tax exemption for farmland, recently introduced by Rep. Mike Thompson (D-CA) in H.R. 5475. This approach is seriously misguided, for three basic reasons. There is no justification for creating additional preferences in the estate tax for farm estates, particularly in light of the serious fiscal problems the nation faces. If the 2009 estate tax parameters are reinstated, only a tiny number of small farm estates will face the tax at all and those that do will generally face a low effective rate. Moreover, there is no evidence that those estates would face liquidity constraints. Finally, new or enlarged special preferences for farm estates would promote tax sheltering that would make the nation's fiscal problems worse, while likely harming small farmers.

CONGRESSIONAL BUDGET OFFICE

Congressional Budget Office, *Social Security Policy Options*, juillet 2010, 67 pages.

http://www.cbo.gov/ftpdocs/115xx/doc11580/07-01-SSOptions_forWeb.pdf

Étude sur les options possibles afin de combler un déficit imminent sur le système de pension fédéral américain.

- Social Security, the federal government's largest single program, provides benefits to retired workers (through Old-Age and Survivors Insurance, OASI), to people with disabilities (through Disability Insurance, DI), and to their families as well as to some survivors of deceased workers. Those benefits are financed primarily by payroll taxes collected on people's

earnings. In 2010, for the first time since the enactment of the Social Security Amendments of 1983, Social Security's annual outlays will exceed its annual tax revenues, the Congressional Budget Office (CBO) projects. If the economy continues to recover from the recent recession, those tax revenues will again exceed outlays, but only for a few years. CBO anticipates that starting in 2016, if current laws remain in place, the program's annual spending will regularly exceed its tax revenues. Social Security's dedicated revenue stream sets it apart from most other federal programs in that the dedicated revenues are credited to trust funds that are used to finance the program's activities. Interest on the balances of those funds also is credited to the funds (which often are treated collectively as the OASDI trust funds). CBO estimates that, unless changes are made to the system, the trust funds combined will be exhausted in 2039. At that point, the resources available to the Social Security program will be insufficient to pay full benefits as they are currently structured. This CBO study first provides an overview of Social Security and discusses some criteria for evaluating proposals to change the system. It then presents a variety of options for changing the Social Security system and analyzes the financial and distributional effects of those options—that is, how they would affect Social Security's finances and how they would alter the benefits paid to people in various earnings categories and people born in various decades.

Congressional Budget Office, *Using Biofuel Tax Credits to Achieve Energy and Environmental Policy Goals*, Juillet 2010, 46 pages.

<http://www.cbo.gov/ftpdocs/114xx/doc11477/07-14-Biofuels.pdf>

Étude sur la possibilité d'instaurer un crédit pour l'utilisation des bio-carburants afin d'atteindre les objectifs environnementaux fixés par le gouvernement américain.

- The federal government supports the use of biofuels—transportation fuels produced mainly from renewable plant matter, such as corn—in the pursuit of national energy, environmental, and agricultural policy goals. Tax credits encourage the production and sale of biofuels in the United States, effectively lowering the private costs of producing biofuels, such as ethanol or biodiesel, relative to the costs of producing their substitutes—gasoline and diesel fuel. In addition, federal mandates require the use of specified minimum amounts and types of biofuel each year through 2022. Together, the credits and mandates increase domestic supplies of energy and reduce U.S. emissions of greenhouse gases, albeit at a cost to taxpayers. This Congressional Budget Office (CBO) study, which was prepared at the request of the Chairman of the Subcommittee on Energy, Natural Resources, and Infrastructure of the Senate Committee on Finance, assesses the incentives provided by the biofuel tax credits for producing different types of biofuels and analyzes whether they favor one type of biofuel over others. In addition, the study estimates the cost to U.S. taxpayers of reducing the use of petroleum fuels and emissions of greenhouse gases through those tax credits; it also analyzes the interaction of the credits and the biofuel mandates. In keeping with CBO's mandate to provide objective, impartial analysis, the study contains no recommendations.

NATIONAL TAX JOURNAL

Vivian Ho, « Book Review: Using Taxes To Reform Health Insurance », 63 *National Tax Journal* 383-90 (Juin 2010).

L'hyperlien est accessible uniquement aux abonnés du *National Tax Journal*.

<http://ntj.tax.org/wtax/ntjrec.nsf/009a9a91c225e83d852567ed006212d8/296a7a2e33d1aee8852577470061a2bb?OpenDocument>

Réforme de l'assurance-maladie.

- Book Review: USING TAXES TO REFORM HEALTH INSURANCE edited by Henry J. Aaron and Leonard E. Burman (The Brookings Institution, 2008, Washington, DC, 282 pages). This book provides a timely discussion of the complex issue of financing health insurance through tax policy in the United States. It is an excellent book for economists who are interested in learning about the welfare consequences of existing health care finance policies. It also provides a comprehensive discussion of health insurance that would be useful to policy makers. As the nation moves towards significant health insurance reform, this book provides much background information that is useful to both academics and policymakers.

Edward D. Kleinbard, « Tax Expenditure Framework Legislation », 63 *National Tax Journal* 353-81 (Juin 2010).

L'hyperlien est accessible uniquement aux abonnés du *National Tax Journal*.

<http://ntj.tax.org/wwtax/ntjrec.nsf/009a9a91c225e83d852567ed006212d8/296a7a2e33d1aee8852577470061a2bb?OpenDocument>

Les dépenses fiscales et le processus du budget.

- Explicit federal outlays are determined through elaborate budget procedural rules (framework laws), but tax expenditures in many respects fall outside these established Congressional procedures. The preparation of the annual federal budget therefore privileges tax subsidies over outlays, even though each can substitute for the other. As a consequence, tax expenditures have become the preferred vehicle for delivering new spending programs. Moreover, the low salience of tax expenditures clouds understanding of the government's allocative interventions among not only the public but also many policymakers. This paper considers how tax expenditures might be brought more directly into the federal budget-setting process. The analysis considers three types of tax subsidies — fixed-dollar allocations, subsidies that are open-ended but offered for a fixed term, and subsidies that are both open-ended and indefinite in term. Just as the federal budget today follows different processes for discretionary spending (appropriations) and direct expenditures (entitlements), so too it is necessary to develop different framework rules for fixed-dollar and uncapped tax subsidies.

TAX POLICY CENTER

Katherine Lim et Jeff Rohaly, *The impact of the Bipartisan Tax Fairness and Simplification Act of 2010 ("Wyden-Gregg") on Effective Marginal Tax Rates*, 9 juillet 2010, 24 pages.

http://www.taxpolicycenter.org/UploadedPDF/901362_WG_MTR.pdf

Résumé : <http://www.taxpolicycenter.org/publications/url.cfm?ID=901362>

L'effet de réformes fiscales américaines proposées sur les taux marginaux effectifs d'imposition des gains en capital et des revenus d'emploi.

- The Wyden-Gregg tax reform proposal would represent a broad reform of the federal income tax system. This paper examines the plan's impact on individuals' effective marginal tax rates (EMTR), the incremental amount of tax owed on an additional dollar of income. We examine the impact on the EMTR for both wage income and realized capital gains against current law and current policy baselines. We find the Wyden-Gregg plan would lower the overall average EMTR on wages relative to both current law and current policy, but would raise the overall average EMTR on gains when compared with those same two baselines.

Donald Marron, *The Future of Individual Tax Rates: Effects on Growth and Distribution – Testimony Before the Senate Committee on Finance*, 14 juillet 2010, 14 pages.

http://www.taxpolicycenter.org/UploadedPDF/901360_marron_future_rates.pdf

Commentaires sur l'approche à adopter face à l'expiration des baisses d'impôt américaines de 2001-2003.

- L'auteur commente l'effet sur les revenus, l'équité et la croissance économique de différents scénarios possibles quant à l'expiration des baisses d'impôt de 2001 et 2003. L'auteur appelle également à une révision en profondeur du modèle fiscal américain, qui pourrait être entrepris de façon concomitante.

Leonard E. Burman, *The Future of Individual Tax Rates: Effects of Economic Growth and Distribution – Testimony before the Senate Committee on Finance*, 14 juillet 2010, 14 pages.

http://www.taxpolicycenter.org/UploadedPDF/901361_burman_future_rates.pdf

Commentaires sur l'approche à adopter face à l'expiration des baisses d'impôt américaines de 2001-2003.

■ L'auteur expose ses recommandations sur l'expiration imminente des baisses d'impôt consenties en 2001 et 2003. Dans son analyse, il tente de concilier trois objectifs : ne pas nuire à la reprise économique, mettre en œuvre un plan crédible pour diminuer la dette sur une période de temps définie et réformer le système pour le rendre plus simple, équitable et efficace.

William G. Gale et Benjamin H. Harris, *A Value-Added Tax for the United States: Part of the Solution*, juillet 2010, 16 pages.

http://www.taxpolicycenter.org/UploadedPDF/1001418_VAT_solution.pdf

Résumé : <http://www.taxpolicycenter.org/publications/url.cfm?ID=1001418>

Avantages d'introduire une taxe sur la valeur ajoutée aux États-Unis selon la situation actuelle.

● The U.S. faces a large medium-term federal budget deficit and an unsustainable long-term fiscal gap. Left unattended, these shortfalls will hobble and eventually cripple the economy. The only plausible way to close the gap is through a combination of spending cuts and/or tax increases. This paper discusses why a federal Value Added Tax (VAT) should be part of a constructive solution to the fiscal problem.

Julia Isaacs et al, *Kids' Share 2010: Report on Federal Expenditures on Children through 2009*, juillet 2010, 36 pages.

<http://www.taxpolicycenter.org/UploadedPDF/412140-kids-share-2010.pdf>

Résumé : <http://www.taxpolicycenter.org/publications/url.cfm?ID=412140>

Recensement des différentes dépenses budgétaires et fiscales américaines relatives aux enfants.

● Kids' Share 2010: Report on Federal Expenditures on Children through 2009, a fourth annual report, looks comprehensively at trends in federal spending and tax expenditures on children. Key findings suggest that historically children have not been a budget priority. In 2009, this trend continued, as children's spending accounted for less than one-tenth of federal outlays. While the American Recovery and Reinvestment Act provides a temporary boost, children's spending will continue to be squeezed in the next decade.

 ROYAUME-UNI

INSTITUTE FOR FISCAL STUDIES

Haroon Chowdry, Lorraine Dearden and Gill Wyness, *Graduate tax: remedy, reform or rebrand?*, juillet 2010.

<http://www.ifs.org.uk/publications/5204>

Une taxe sur la graduation pour remplacer les frais de scolarité.

■ A graduate tax was proposed as a 'fairer' replacement for tuition fees in higher education. All the Labour leadership candidates - with the exception of David Miliband - have expressed support for this idea, as has the National Union of Students; the leading universities, meanwhile, have opposed it. This Observation examines whether the rationale for such a policy and the practical implications of it have been fully considered.



ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE)

Robert Price, *The political economy of fiscal consolidation*, 31 mai 2010, 43 pages.

[http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=ECO/WKP\(2010\)32&doclanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=ECO/WKP(2010)32&doclanguage=en)

L'ajustement budgétaire d'un point de vue économique.

- Ce document explore l'économie politique de l'ajustement budgétaire. Il commence par examiner l'existence et les sources d'un biais en faveur des déficits. Parmi ces sources on peut citer les facteurs de politique économique et de gouvernance, les attitudes de la population, le rôle des marchés financiers et le manque de précision concernant les cibles de dette à atteindre. Il s'intéresse ensuite aux facteurs exogènes ou liés à l'action des pouvoirs publics qui affectent le succès des efforts d'assainissement des finances publiques. Enfin le rôle des institutions budgétaires est abordé, y compris celui des règles budgétaires et des agences autonomes. La dernière section s'interroge sur la façon dont la crise financière a modifié l'économie politique de la politique budgétaire en donnant quelques pistes sur ce qui pourrait s'avérer nécessaire pour rétablir une trajectoire de consolidation et la rendre moins vulnérable aux rechutes.

Jean-Marc Burniaux, Jean Chateau et Romain Duval, *Is there a case for carbon-based border tax adjustment? An applied general equilibrium analysis*, 21 juillet 2010, 24 pages.

[http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=ECO/WKP\(2010\)50&doclanguage=en](http://www.oecd.org/officialdocuments/displaydocumentpdf/?cote=ECO/WKP(2010)50&doclanguage=en)

Taxe sur le carbone aux frontières ? Quels sont les arguments?

- Les craintes que des réductions unilatérales d'émissions de gaz à effet de serre soient en partie compensées par des fuites de carbone tout en ayant un effet négatif sur la compétitivité des industries domestiques ont entraîné des appels croissants en faveur de taxes carbone aux frontières (TCFs). Cet article utilise un modèle d'équilibre général appliqué pour évaluer les effets économiques des TCFs et aboutit à trois conclusions. Premièrement, les TCFs peuvent réduire les fuites de carbone lorsque la coalition de pays prenant des mesures de réduction des émissions est réduite, car dans ce cas les fuites carbone (quoique typiquement faibles) se produisent essentiellement *via* des pertes de compétitivité internationale, plutôt que *via* des baisses du prix mondial des énergies fossiles qui entraînent une hausse de l'intensité en carbone dans le reste du monde. Deuxièmement, les impacts des TCFs sur le bien-être sont faibles, et typiquement légèrement négatifs au niveau mondial. Troisièmement, et peut-être de façon plus frappante, les TCFs n'atténuent pas nécessairement les pertes de production subies par les industries domestiques intensives en énergie (IIEs) qu'elles sont pourtant censées protéger. Cela tient en partie à ce que prises dans leur ensemble, les IIEs dans les pays industrialisés utilisent de façon importante des intrants intensifs en carbone produits par les IIEs d'autres zones géographiques. Une autre explication plus profonde est que les IIEs sont *in fine* davantage touchées par l'existence d'un prix du carbone lui-même, et par la contraction de la taille du marché qui s'en suit, que par de quelconques pertes de compétitivité internationale. Ces résultats s'avèrent robustes à des hypothèses alternatives concernant certains paramètres clé du modèle, les pays couverts et les modalités de mise en place des TCFs.

L'OCDE approuve la mise à jour 2010 du Modèle de Convention fiscale de l'OCDE, 22 juillet 2010.

http://www.oecd.org/document/23/0,3343,fr_2649_33747_45690199_1_1_1_1,00.html

Réforme de la convention modèle de l'OCDE.

- Le contenu de cette mise à jour a été rendu public sous forme de [projet](#) le 21 mai 2010 et, suite à quelques modifications, y compris des modifications aux observations, réserves et positions des membres et non-membres de l'OCDE, la mise à jour a été approuvée par le Comité des affaires fiscales le 22 juin avant d'être soumise à l'approbation

finale du Conseil. Une des parties les plus importantes de la mise à jour 2010 du Modèle de Convention fiscale est le remplacement de l'article 7 du Modèle et de ses Commentaires. La nouvelle version reflète l'ensemble des conclusions des travaux du Comité des affaires fiscales portant sur l'attribution de bénéfices aux établissements stables et une version 2010 du rapport sur l'Attribution de bénéfices aux établissements stables a été également adoptée par le Conseil de l'OCDE afin de refléter le remplacement de l'article 7 dans le Modèle de Convention fiscale.

Pier Carlo Padoan, *Beyond the crisis: Shifting gears*, mars 2010.

<http://www.oecdobserver.org/news/fullstory.php/aid/3226/>

Politiques fiscales pour se relever de la crise.

- OECD countries seem poised for a fragile, yet much-welcome recovery. This prospect was far from certain a year ago and owes a great deal to the exceptional monetary, fiscal and financial policies that policymakers across the OECD and beyond have implemented over the past 18 months. However, the recession has left deep scars that will be visible for many years to come. The crisis has lowered living standards and employment on a lasting basis, and at the same time, endangered the sustainability of public finances in many OECD countries. Yet there is still time to relieve the effects of these scars through appropriate policy action. Governments have already started removing some of the emergency measures brought in to save the global economy from collapse. For a more positive economic outlook to take hold, policymakers should increasingly phase out some of these exceptional policy initiatives, while at the same time maintaining or reinforcing other measures, launching new reforms and resisting protectionist reactions in international trade and labour markets. Candidates for gradual removal include the exceptional government support to automotive and other industries, public funding for new infrastructure projects and crisis-related increases in unemployment benefits where these were already fairly high.

Review of comparability and profit methods, 22 juillet 2010, 81 pages.

L'hyperlien est accessible uniquement aux abonnés des publications de l'OCDE.

<http://www.oecd.org/dataoecd/23/12/45763692.pdf>

Précisions sur les méthodes d'évaluation des prix de transfert.

- Chapters I-III of the Transfer Pricing Guidelines were substantially revised as a result of the review of comparability and profit methods that was undertaken by the OECD, with input from non OECD economies. Building on the experience acquired by tax administrations and taxpayers in the application of the Transfer Pricing Guidelines since they were originally released in 1995, new guidance was developed on the selection of the most appropriate transfer pricing method to the circumstances of the case, the practical application of transactional profit methods (the transactional net margin method and the profit split method) and the performance of comparability analyses. The review of comparability and profit methods was a seven-year project which benefitted from extensive consultations with the private sector. Open invitations to comment were released on comparability issues in 2003 and on profit methods in 2006. A series of draft issues notes on comparability issues was released for public comment in May 2006 and a series of draft issues notes on transactional profit methods was released for public comment in January 2008. Each of these two series attracted very detailed responses from the business community, which were released by the OECD in December 2006 and May 2008, respectively. A consultation with commentators was held in Paris in November 2008 and proposed revised Chapters I-III were released for public comment in September 2009, again attracting detailed comments from the business community.

INTERNATIONAL TAX DIALOGUE

Australia's Future Tax System, juin 2010.

<http://taxreview.treasury.gov.au/content/Content.aspx?doc=html/home.htm>

Avant-goût du futur régime fiscal australien.

- The Australian Government has released the final report of the Australia's Future Tax System Review. The Review took a 'root and branch' approach and examined Australian and State government taxes, and interactions with the transfer system in order to make recommendations to position Australia to deal with the demographic, social, economic and environmental challenges that lie ahead. Since being established in 2008, the Panel provided many opportunities for people to make a submission and engaged with the community through public meetings and focus groups, meetings with representative business and community groups, discussions with other government departments and agencies, and through its tax and transfer policy conference held in June 2009. Around 1,500 formal submissions were received, canvassing a wide-range of issues of concern to the community – an extremely rich source of information which helped the Panel shape its recommendations. In addition, a two-day conference in June 2009 provided an opportunity for leading international experts and a range of academics and stakeholders to debate leading edge tax and transfer policy issues.

Mark Gallagher, *Labor Taxation and Unemployment*, juin 2010, 17 pages.

http://www.fiscalreform.net/images/Library/labor_taxation_gallagher_100630.pdf

Les impacts de la taxation de la main d'œuvre.

- This paper, produced as part of the Fiscal Reform and Economic Governance project's Occasional Papers series, uses cross-country regression analysis to estimate the impact of the relative tax on labor with respect to taxation of capital. The study differs from earlier studies in two important ways. First, it includes a much larger sample set, covering rich, middle income, and poor countries. Second, the outstanding independent variable is the ratio of the tax wedge on labor with respect to the company profit tax rate, rather than simply the tax wedge by itself, as the latter affects technological choice. The regression results show that heavily taxing labor relative to capital leads to increased unemployment. Viewed another way, the results suggest, for instance, that a one-point decline in the tax wedge-to-profit tax ratio can potentially lead to a one percentage point decline in the unemployment rate.

SOCIAL SCIENCE RESEARCH NETWORK

Craig Elliffe and Jessica M. Cameron, *The Test for Tax Avoidance in New Zealand: A Judicial Sea-Change*, 15 juin 2010, 29 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1625604

De nouvelles causes viennent préciser l'application de la règle générale anti-évitement en Nouvelle-Zélande.

- This article, by analysing Ben Nevis, Glenharrow and the Court's subsequent application of these cases in the above judgements, seeks to determine whether these cases add anything "rich and strange" to our understanding of the way the income tax GAAP should be applied. Or do they simply represent the latest iteration of the various judicial glosses that have sprung up over the last fifty years as a result of the inherent difficulty in applying this enigmatic provision and countering inappropriate tax avoidance. What emerges is that there appears to be a sea change. Although the "scheme and purpose" approach remains, it is modified by two factors. First, an explicit acknowledgment that in a tandem approach to interpretation of the black letter law and the GAAR, the GAAR is to be given equal weight and purposively interpreted. Secondly, the test is modified by that the addition, or some might say a substitution, of a Parliamentary contemplation test. The result of both of these significant changes is an empowering of the judiciary to pursue a form of interpretation which is much less formalistic and necessarily involves even more of an enquiry into the commercial and business motivations of the taxpayer. A natural consequence may be a greater reliance on the attitude of the judges applying the test and definitely a significant loss of certainty for the taxpayers. The result is that the pendulum has swung in favour of the Revenue.

Craig Elliffe, *Meaning of "Permanent Establishment" in Article 5 of Double Tax Conventions*, 16 juin 2010, 9 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1625603

Sens d'un « établissement permanent » au sens de l'article 5 des conventions fiscales du Canada.

- The Knights of Columbus case and its companion case *American Income Life Insurance Company v Canada* were decisions by Miller J in the Tax Court of Canada concerning the taxation of the Canadian insurance operations of the American entities. The operations of the Knights in Canada were quite substantial involving approximately 250 people working as either field agents, general agents or in other more senior roles. Revenue Canada had taken the view that a permanent establishment existed in Canada. Consequently they asserted that business profits attributable to that permanent establishment should be subject to Canadian tax. This was upon the basis that either the use of the agents' homes constituted a fixed place of business, or alternatively, because a permanent establishment was deemed to exist because business was conducted through non-independent agents who had the authority to conclude contracts in the name of the Knights. In a very well reasoned judgment Miller J concluded the Knights did not have a permanent establishment in Canada. This was because neither the field agents, nor the general agents, had the requisite authority to conclude contracts on behalf of the Knights. Additionally, the Knights did not have a fixed place of business in Canada in that they did not carry on their business through the homes of the field agents. This was due to the fact that they had no right of disposition over these premises. Expert evidence was given as to the inference arising from the selective use of clauses in Canada's treaty network.

Craig Elliffe, *Building a Better Bridge - The Case for Taxing Capital Gains in New Zealand*, 21 juin 2010, 24 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1627766

L'imposition du gain en capital en Nouvelle-Zélande.

- In the context of a current and future severe fiscal deficit budget position the Victoria University of Wellington Tax Working Group suggested tax reform proposals which excluded a comprehensive capital gains tax. While generic problems in the New Zealand income tax system identified by the Tax Working Group have been addressed in their recommendations this base broadening was not. The article examines the problems of income tax, not only due to its narrowness in omitting capital profits, along with the anomalies that arise from this non-taxation, but also examines other systemic problems with income tax, such as the fact that it artificially taxes cash flow rather than economic gains. Some of these problems arise from the origins of income tax, being a creature borne out of the law of trusts. In addition to the inherent flaws of income tax, the case for capital gains tax is based on grounds of fundamental equity between taxpayers and the desirability of progressive tax. Furthermore, taxation of capital gains protects the integrity of a tax system by removing incentives to recharacterise economic gains in ways that fall outside the scope of tax.

William Thomas Worster, *The Constitutionality of the Taxation Consequences for Renouncing U.S. Citizenship*, 24 juin 2010, 100 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1628568

Les effets fiscaux de la renonciation à la résidence américaine sont-elles anticonstitutionnels?

- Individuals that renounce their U.S. citizenship are held to a special taxation regime as a consequence for their expatriation that is unique in the world and, this article will argue, unconstitutional. Originally, renunciation of citizenship was seen as the ultimate income tax reduction device, but this option has now lost much of its attractiveness as Congress has passed "exit tax" provisions that impose a tax liability on individuals who have renounced U.S. citizenship similar to that imposed on U.S. citizens. This article will argue that, as it currently stands, the exit tax is not constitutional because it is not narrowly tailored to achieve a compelling government interest and must be judged at that standard because it infringes on the fundamental right to expatriate and discriminates based on national origin.

John Prebble, *Tax Avoidance, International Tax Arbitrage, and New Zealand as a Haven for Foreign Capital and Income*, 25 juin 2010, 14 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1628876

Hausse des causes afférentes à la règle générale anti-évitement en Nouvelle-Zélande

- New Zealand is not a promising jurisdiction to serve as a tax haven. The country has relatively high rates of taxation for residents and New Zealand sourced income. Further, 2008 and 2009 saw several major anti-avoidance cases against New Zealand taxpayers. The cases included not only the usual domestic tax shelters but also a substantial attack on tax avoidance by banks that engage in international tax arbitrage. The tax planning of the banks involved exploiting differential treatments of a stream of revenue that flowed from one jurisdiction to another.

Craig Elliffe, *Tax Fraud: When is Tax Avoidance a Criminal Offence?*, 1^{er} juillet 2010, 20 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1633149

Nouvelle-Zélande: Quand l'évitement de l'impôt devient-t'il criminel?

- This article looks at the complex situation arising when there is a deliberate arrangement to avoid income tax and the consequences which can arise where the matter strays into the criminal jurisdiction. Knowing when an arrangement is an arrangement to avoid tax is no easy matter. The New Zealand courts have taken the view that taxpayers with arrangements close to the line of tax avoidance will have to live with uncertainty. Can taxpayers and their advisers involved in tax avoidance schemes face even more dire consequences than those arising through the disallowance of their taxation advantage and imposition of shortfall civil penalties? This article looks at when tax avoidance schemes not only cross the line of acceptable tax planning and become void for tax purposes, but go further and cross the line of legality. In such situations consequences may arise for advisors as well as taxpayers.

Frederik Boulogne, *Transfer Pricing of Intangibles: A Comparison between the Netherlands and the United States*, 7 juillet 2010, 84 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1635296

Le prix de transfert des biens intangibles : Comparaison entre les États-Unis et les Pays-Bas.

- This thesis discusses the complex matter of determining an arm's length consideration for intercompany transactions involving intangibles. It is not unlikely that this discussion provides more questions than answers. In a transfer pricing analysis, one should not refrain from posing questions: What has really happened? Why did parties act as they did? Would third parties in similar circumstances have done the same? Perhaps searching for clear-cut answers should not be the goal when the Guidelines acknowledge that "transfer pricing is not an exact science." The conclusion will first address the general observations when determining an arm's length consideration. It will then specifically discuss the comparison between the United States and the Netherlands. Finally, it will provide two general conclusions based on a comparison how the Courts reached their decisions.

Jinyan Li, *Tax Transplants and Local Culture: A Comparative Study of the Chinese and Canadian GAAR*, 20 juillet 2010, 31 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1645336

Les différences de la règle générale anti-évitement entre la Chine et le Canada.

- This Article discusses, compares, and analyzes the transplanted General Anti-Avoidance Rule (GAAR) in China and the GAAR in Canada. It demonstrates the similarity between the GAARs on paper and the divergence between the GAARs in action. It argues that the divergence is largely attributable to the differences between Canada and China in the general legal system, legal institutions, judicial and taxpayer attitudes towards tax avoidance, and the ideology of tax avoidance.

Chye-Ching Huang and Craig Elliffe, *Is New Zealand Smarter than Other Countries or Simply Special? Reconsidering a Realization-Based Capital Gains Tax in Light of South Africa's Experience*, 22 juillet 2010, 35 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1646146

Est-ce que la Nouvelle-Zélande devrait imposer, à l'avenir, les gains en capital lorsque ceux-ci seront réalisés?

- This article tries to find a new way through old arguments about whether or not New Zealand should have a realization-based capital gains tax. Instead of revisiting the first-principles analysis of the costs and benefits of a capital gains tax, it starts by observing that many countries have already done that calculation, and decided to adopt a realization-based capital gains tax because they concluded that having such a realization-based CGT is better than not having one. In believing differently, New Zealand sits apart from the OECD norm, and apart from many non-OECD countries. New Zealand's outsider position could be reasonably justified on two bases: (1) the countries that have implemented a capital gains tax made the wrong decision which they secretly regret; or (2) New Zealand is different to those countries in a way that is relevant. (New Zealand policymakers have relied often on the first justification, but have presented no compelling international evidence for it.) This article gently tests both of these possible justifications for New Zealand not having a CGT. It tests the first by examining the experience of a jurisdiction that relatively recently decided to implement a realization-based tax, namely South Africa. The evidence suggests that South Africa was correct to do so. The article tests the second justification by identifying ways in which New Zealand differs from South Africa (and from OECD countries) that could suggest that a realization-based capital gains tax would be not worth doing in New Zealand even if it is elsewhere.

Daniel Shaviro, *Rethinking Foreign Tax Creditability*, 4 juin 2010, 22 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1619962

Est-ce que le crédit pour impôt étranger des États-Unis devrait être modifié?

- International tax policy experts often mistakenly conflate two distinct margins: (1) the overall tax burden on outbound investment, and (2) the marginal reimbursement rate (MRR) for foreign taxes paid, which is 100 percent under a foreign tax credit system, but equals the marginal tax rate for foreign source income under an explicit or implicit deductibility system (such as exemption). From a unilateral national welfare standpoint, whatever the right answer at margin (1), deductibility is clearly optimal, and creditability dangerously over-generous, at margin (2).

John R. Brooks II, *Doing Too Much: The Standard Deduction and the Conflict Between Progressivity and Simplification*, 7 juillet 2010, 64 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1636007

Améliorations à apporter à la déduction standard aux États-Unis.

- This article argues that, while the standard deduction is worse than we think it is, it is also easier to fix than we think it is. We can replace the standard deduction with a true, independent zero bracket amount and a floor under the itemized deductions while keeping revenue- and distribution-neutral. This would effectively divorce the two roles of the standard deduction – zero bracket amount and simplification of the itemized deductions – leading to more coherence in individual income taxation and giving more flexibility to policymakers. The article proposes further to disaggregate the single floor under the itemized deductions into multiple, independent floors under each itemized deduction. This also would lead to greater coherence and flexibility in tax system design. While creating multiple floors would marginally increase complexity for some taxpayers, the costs of such complexity are overstated relative to the benefits of more accuracy and coherence.

Martin J. McMahon Jr., *Living with (and Dying by) the Codified Economic Substance Doctrine*, 12 juin 2010, 47 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1623822

La substance économique dans la doctrine américaine.

- This article examines recently enacted section 7701(o), codifying clarifications to the judicial economic substance doctrine, and the associated new strict liability penalty regime applicable to transactions that are found to lack economic substance. Section 7701(o) provides that for a transaction to satisfy the economic substance doctrine it must meet a conjunctive test requiring, first, that the transaction change the taxpayer's economic position in a meaningful way apart from Federal income tax consequences, and, second, both that the taxpayer have a substantial nontax purpose for entering into such transaction. The article traces the origins of these requirements to various judicial applications of the economic substance doctrine, or one of the various other judicial anti-abuse doctrines, beginning with Gregory and going all the way up to the recent decisions of the Court of Appeals for the Fifth Circuit in *Klamath Strategic Investment Fund v. United States*. The article examines each of the subsections of § 7701(o) to put each of them in the context of prior case law, and where possible to make some assessment of the future impact of the various provisions. In this context the article compares various cases the outcome of which likely would not have been affected, or likely would have been affected, had section 7701(o) been in effect at the time of the transactions, ranging from *Cottage Savings* to the recent *ConEd* case. The article considers transactions that the legislative history suggests should be insulated from application of the economic substance doctrine and discusses practitioner suggestions that an "angel list" should be promulgated. Unlike most prior analysis, the article suggests that the Treasury's hesitancy to promulgate an angel list is well founded.

Catherine E. Althaus, Allen McAvoy and Lindsay M. Tedds, *The Feasibility of Implementing a Congestion Charge on the Halifax Peninsula: Filling the 'Missing Link' of Implementation*, 26 juin 2010, 24 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1629882

Serait-ce possible d'implanter un coût sur les routes où l'achalandage est trop élevé?

- Congestion charging, a user fee charged to motorists for traveling on certain roadways in peak periods, has been advocated by economists for nearly a century. The demands of the modern city are forcing many governments to consider traffic congestion and decide whether or not to press ahead with congestion charges and, if so, how. The literature provides a detailed rationale for congestion charges but minimal consideration as to how to implement such charge once the political decision to proceed has been made. The purpose of this article is to expose some of the issues, both technical and administrative, that confront the implementation challenge of enacting a congestion charge. The Halifax Peninsula will be used as a case study to illuminate the topic. Halifax Regional Municipality (HRM) faces serious traffic congestion on the roads leading onto, on, and away from the Peninsula, the economic hub of HRM, during peak commuting times. As a result, HRM officials are examining policies and actions designed to ease traffic congestion in this area, including a congestion charge. This case provides a classic congestion charge scenario that lends itself to scrutiny for potential implementation implications. This is because HRM is constrained by addressing the problem through new road infrastructure and because projected urban growth and development will only serve to exacerbate the congestion problem.

Kim Brooks, *Residence of Individuals (Canada)*, 18 juillet 2010, 18 pages.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1641670

La résidence canadienne : un tour d'horizon

- This short paper reviews the residence of individuals under domestic Canadian tax law and under Canada's tax treaties.

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