

Seminar: Tax Avoidance and Corporate Tax Shelters

Winter Semester 2013/2014

In the winter semester 2013/2014 the Chair of Economic Theory (Prof. Dr. Veronika Grimm) offers a Seminar on Corporate Tax Shelters. The seminar will be in English and is open to Bachelor and Master students.

The goal of the Seminar is to study some of the most important tax shelters used by multinational corporations with the objective of minimising their tax bill. Examples of prominent tax shelters are transfer pricing, cross-border dividend capture, corporate-owned life insurance, offshore intellectual property havens, and many others. We will focus not only on the mechanisms through which tax benefits accrue, but also on the various economic and legal aspects of tax shelters. In particular, we will explore the difference between legal and abusive tax avoidance based on various judicial doctrines such as the sham transaction and economic substance doctrines. In addition, we will go over some major legal cases in detail.

Some questions to be addressed are

- The effect of an aggressive use of tax shelters on companies' debt policy;
- The various transfer pricing methodologies
- A discussion of the consequences of aggressive tax avoidance on corporate reputation as illustrated by the recent cases of Starbucks, Google, etc.
- Economic experiments concerning transfer pricing

Students' task is to select a topic (e.g. specific shelter) of their choice and investigate in-depth its economic, legal, and, if possible, accounting features, producing a compelling presentation and a research paper. Applications to the German context are welcome: for instance, lease-in/lease-out transactions (LILO) were particularly popular with German municipalities.

If you are interested in attending the seminar, please email Boryana Madzharova (boryana.madzharova@fau.de) or Maren Tonn (maren.tonn@fau.de).

The seminar counts as "Seminar zur Wirtschaftstheorie" and "Seminar zur Finanzwissenschaft" (Bachelor, LS Büttner), but might be approved by other chairs as well. Please check with organisers.