

Università PhD in degli Studi Economics, Business and Statistics

Dipartimento di Scienze Economiche, Aziendali e Statistiche



Thematic Course

Academic Year	2024-25
Subject	Economics of Taxation and Tax Avoidance
Instructor	Maria Berrittella
Course	The objective of this course is to introduce the students to the theory of
description	taxation and to the empirical literature on tax avoidance. The course includes
	the positive and normative analysis of taxation inside to the partial and
	general equilibrium frameworks. For the empirical aspects, the course will
	investigate the firm's tax avoidance behaviour and the existence of
	nonlinearity in the relationship between the effective tax rates and profits.
	The course is organized as follows:
	- Lecture 1 (2 hours) Taxation in partial equilibrium models.
	- Lecture 2 (3 hours) Taxation in computable general equilibrium (CGE) models.
	- Lecture 3 (3 hours) Empirical evidence on firm's tax avoidance and
	nonlinearity in the relationship between the effective tax rates and
	firms' profits
	- Lecture 4 (4 hours) Assessing nonlinear effects of tax avoidance on
	profit shifting for the multinational firms using public CbCR_MNC
	data
Learning	Students completing this course should be familiar with
Objectives	i) theoretical aspects of taxation;
	ii) tax simulation with a CGE model;
	iii) empirical evidence on tax avoidance;
	(1v) applications of regression models to investigate nonlinear effects of
	tax avoidance filside the sectors using cross-country data.
Suggested	Theoretical analysis and CGE models of taxation.
readings	- Jean Hindriks and Gareth D. Myles (2006) Intermediate Public
	Economics. Ed. The MIT Press (chapters 14, 15 and 16).
	- Shoven, John B., and Whalley John. 1992. Applying general
	equilibrium. Cambridge: Cambridge University Press.
	Methodology
	- Patrick J. Kehoe and Timothy J. Kehoe (1994). A Primer on Static
	Applied General Equilibrium Models. Quarterly Review, vol 18 (2).
	Empirical analysis on tax avoidance:
	- Desai, M. A., Dharmapala, D., 2009. Corporate tax avoidance and
	firm performance. The Review of Economics and Statistics, 91, 537-
	546.
	- Becker, J., Johannesen, N., Riedel, N., 2020. Taxation and the
	allocation of risk inside the multinational firm. Journal of Public
	Economics, vol.183, pp. 104-138.



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	- Garcia-Bernardo, J., Janský, P., 2024. Profit shifting of multinational
	Drotto D Sontomortino V Accieri A 2021 Accessing profit
	- Bratta, B, Santomartino, V., Acciari, A., 2021. Assessing pront
	snifting using Country-by-Country Reports: a non-linear response to
	tax rate differentials, DF Working papers, 11/2021.
	- Bournakis, I., Mallick, S., 2021. Do corporate taxes harm economic
	performance? Explaining distortions in R&D-and export-intensive
	UK firms. Macroecon. Dyn., 25, 5-27.
	- Le, M., Zamarian, M., 2024. Tax-avoidance profit shifting by
	multinational firms: evidence from Vietnam. Economic Systems,
	101286.
	Methodology
	- Lind, J.T., Mehlum, H. (2010). With or Without U? The Appropriate Test
	for a U-Shaped Relationship Oxford Bulletin of Economics and Statistics
	$72 \cdot 109-118$
	72.109110
	Notes provided in class
Course Activity	12
(hrs)	12
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Assessment	Evaluation of the course learning outcome will be carried out via two
Method	take-home exams on computational analysis.
Teaching	Frontal lectures and computer labs
Methods	
Calendar	19-20 May 2025/16-19 June 2025
Contacts	maria.berrittella@unipa.it