

Unitary taxation: a response to the critics

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In December the Tax Justice Network published a paper by Sol Picciotto outlining a 21st Century blueprint for taxing multinational companies.

Amid rising public concern at how multinational firms ride roughshod over international tax rules, the paper advocated a shift to a system of Unitary Taxation under which the global profits of a multinational are 'apportioned out' to countries according to the genuine economic substance of what it does in each place. Each country can then tax its share of global profits at its own rate.

This paper, Towards Unitary Taxation of Transnational Corporations focused the debate on a viable alternative approach to remedy the obvious failings of the current international taxation system. But it provoked, as we had expected, some critical responses.

The **new document**, also written by Prof. Picciotto, organises the criticisms leveled at Unitary Taxation into ten points.

The document is in two parts: Section 1 outlines each criticism followed by a very brief riposte, and Section 2 provides fuller responses.

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