

THE PERCEIVED (UN)FAIRNESS OF THE GLOBAL MINIMUM CORPORATE TAX RATE

April 11, 2023 | 4:00pm - 5:00pm | Room 3750

The global agreement to introduce a minimum corporate income tax rate is arguably one of the most important tax policy developments of the last decades. Yet, there are growing concerns over its fairness. The aim of this paper is to consider the impact of process on fairness perceptions, drawing insights from public economics, political science, legal philosophy, and social psychology literature. It first argues that, whilst the agreement may yield some positive outcomes for all, particularly in terms of tax sovereignty and tax morale, any assessment of the fairness of these outcomes should be dependent upon their benchmarking. Against the wider benchmark of global FDI allocation, and in the presence of other inequalities and economic distortions, the agreement cannot be regarded as fair, despite those positive outcomes. It then considers the procedural elements of the deal, arguing that increased inclusiveness does not necessarily result in a fair process, most specifically where the process does not ensure adequate voice and respect for all parties. It concludes that, given the significance of procedural justice for perceptions of fairness, particularly where outcomes are unfavourable, the agreement is likely to be perceived as unfair, regardless of potential gains.

Interested in attending? Please email Executive Director, Natascha Fastabend at nfastabend@law.uci.edu



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Professor De La Feria is the Chair in Tax Law at the University of Leeds. She is also International Research Fellow at Oxford University Centre for Business Taxation, and a Visiting Professor at the MSc in Taxation at the same University. She is actively involved in tax policy discussions around the world and has testified before five elected Parliaments, including the European

Parliament, the UK Parliament, and the Brazilian Congress and in 2019, she was named by IFA as one of the most influential women in tax law in the last 100 years. Professor De La Feria will be visiting UCI Law during April, will be speaking in Professor Vic Fleischer's Partnership Taxation and will be interacting with our Graduate Tax and J.D. students.