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by Michael N. Kandev

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In this article, the author examines Canada's tax reform efforts, or absence thereof, comparing Canada's approach with tax reform efforts in other countries, particularly the United States. After reviewing the status quo, he makes recommendations regarding how Canada can maintain its tax competitiveness while also supporting its approach to social welfare.

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Tax reform tops the political agenda in many countries. A recent high-profile example of this phenomenon is President Trump's hallmark legislation, the Tax Cuts and Jobs Act (P.L. 115-97), which was adopted by the United States in late 2017.[1] This article considers how Canada's approach to the subject of tax reform compares with that of other countries.

Obviously, a complete understanding of any tax reform effort requires an analysis of the various taxes and levies imposed in a particular jurisdiction (such as income tax, VAT, and capital tax) in the broader context of the jurisdiction's economic and social system. That comprehensive study is beyond the scope of this article, which focuses only on some points of comparison between Canada's actions and what is transpiring abroad. Specifically, this article looks broadly at tax rate changes — both personal and corporate — and tax base changes — both in the inbound and outbound international context, with a specific focus on changes resulting from the OECD's base erosion and profit-shifting project. We compare Canada to its neighbor and largest trading partner, the United States,[2] as well as to other countries that have engaged in recent tax reform efforts.

Tax Rate Changes

Personal Income Tax Rates

In Canada, both the federal government and the provinces — but not municipalities — impose personal income tax. Until recently, top combined personal income tax rates hovered slightly below 50 percent, with Alberta historically having the lowest combined rate at 39 percent. This landscape changed dramatically with Prime Minister Justin Trudeau's signature "middle class tax cut" in 2016, which actually resulted in a 4 percentage point increase to the rate applicable to top earners. After this tax hike, along with other provincial changes and excluding Canada's territories, the combined top personal income tax rates in Canada now range from 47.5 percent in Saskatchewan to 54 percent in Nova Scotia. Canada's most populous provinces, Ontario and Québec, impose top marginal rates above 53 percent.

[1] *See* Nathan Boidman et al., "U.S. Tax Laws: A Review of 2017 and a Look Ahead to 2018," Davies Bulletin (Jan. 11, 2018).

[2] *See, e.g.*, Boidman, "The Tax Cuts and Jobs Act: Canada-U.S. Comparative for Multinational Enterprises," *Tax Notes Int'l*, Mar. 19, 2018, p. 1169 (hereinafter Boidman 1); and Boidman, "The Tax Cuts and Jobs Act: Canada-U.S. Comparative for Private Businesses and Individuals," *Tax Notes Int'l*, May 7, 2018, p. 741 (hereinafter Boidman 2). *See also* Reuben Abitbol and Michael Kandev, "Impact of U.S. Tax Reform on Canadian Multinationals," 97 *CCH International Tax* 1 (Dec. 2017).

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There are three additional points worth noting about personal tax rates in Canada. First, effective rates on regular (so-called eligible) dividends received by Canadian resident individuals are lower than the standard personal income rates. Excluding Canada's territories, these rates range from 29.64 percent in Saskatchewan to 41.58 percent in Nova Scotia as a result of Canada's "gross-up and credit" system of corporate-shareholder integration. Ontario and Québec impose a tax rate of close to 40 percent on eligible dividends. Second, capital gains realized by individuals — and, as discussed below, corporations — are only half-taxed, thereby resulting in effective combined top marginal rates on capital gains in the mid-20s. Third, in most parts of Canada, the top marginal personal income tax rates kick in at a taxable income of slightly above $200,000.[3]

By comparison, the TCJA reduced the top federal personal income tax rate in the United States from 39.8 percent to 37 percent, with the reduction subject to a sunset date of 2025. Since 2012 the U.S. federal qualified dividend rate and long-term capital gain rate have been (and remain) set at 20 percent, plus Obama-era taxes regarding healthcare (healthcare taxes) of 3.8 percent when applicable. But these rates alone do not tell the full story. On the one hand, many states and some cities in the United States impose personal income tax. As Nathan Boidman notes, top combined personal income rates in the United States can be as high as 49.69 percent in New York City and 50.3 percent in Los Angeles (before healthcare taxes), bringing the combined personal rates in these locations very close to Canadian rates.[4] On the other hand, the top marginal rate kicks in at a much higher income threshold in the United States than in Canada: US $500,000 for single filers. The United States imposes federal income tax at marginal rates of less than 32 percent on single filers with taxable income below US $200,000. From a Canadian perspective, the foregoing suggests a generally unfavorable comparison with the United States, both in terms of the standard top marginal rates and the dividend and capital gains[5] rates. This comparison is worse when one takes the applicable margin thresholds into account. However, a direct personal income tax rate comparison between Canada and the United States is necessarily simplistic because of the significant disparity in the level of government services, such as public healthcare and education, that Canada and the United States provide their taxpayers.

Taking a broader view, Canada's top personal tax rates are among the highest in the world: Canada is among the dozen or so OECD countries with top personal rates above 50 percent. Among OECD members, only six countries have higher top rates, with Sweden crowning the charts at around 60 percent.[6] Notably, the U.K.'s top personal income tax rate is 45 percent, Ireland's is 48 percent, and Australia's is 49 percent.

As reported in *The Economist* on October 12, 2017,[7] the IMF's Fiscal Monitor recommends that "[a]ssuming a welfare weight of zero for the very rich, the optimal marginal income tax rate can be calculated as 44 percent."[8] Canada seems to be a far cry from this ideal.

Corporate Income Tax Rates

As with personal taxation, both the federal and provincial governments, but not the local, impose corporate income tax in Canada. Federally, the posted corporate tax rate is 38 percent, which the government reduces by 10 percent to make room for provincial taxation. Starting in 2000, former Finance Minister Paul Martin implemented a then-revolutionary series of general rate reductions, bringing the effective federal corporate rate down from 29.12 percent (that is, the 28 percent federal rate plus a now-repealed surtax of 4 percent on federal tax payable) to 15 percent since 2012. The provinces levy their own corporate tax of between 11.5 and

[3] Dollars refers to Canadian currency unless otherwise noted. At the time of this writing, one Canadian dollar equals about 76 cents in U.S. currency.

[4] *See* Boidman 2, *supra* note 2.

[5] Note that in some high-rate states, like California, the combined federal, state, and local long-term capital gains rate would be higher than in Canada.

[6] OECD, "Table I.7. Top Statutory Personal Income Tax Rate and Top Marginal Tax Rates for Employees" (last updated Apr. 26, 2018).

[7] "Taxing the Rich," *The Economist* (Oct. 12, 2017).

[8] IMF, "Fiscal Monitor: Tackling Inequality" (Oct. 2017).

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16 percent, resulting in combined general corporate income tax rates in Canada of between 26.5 and 31 percent.

There is a special regime for Canadian controlled private corporations (CCPCs). First, small CCPCs enjoy lower rates ranging from 10 percent in Manitoba to 18 percent in Québec on the first $500,000 of active business income.[9] Second, an anti-deferral regime applies to CCPCs' aggregate investment income: CCPCs pay an upfront tax roughly equivalent to the personal income tax that would apply to the income, and a tax refund mechanism ensures that corporate and shareholder taxation are adequately integrated upon the ultimate distribution to an individual.

The taxation of CCPCs and their shareholders has been the subject of some drastic — and mostly misguided — tax reform proposals beginning with a set announced in July 2017. Broadly, the Canadian government attempted to close down both intended and unintended tax minimization opportunities for CCPCs and their shareholders. After receiving massive opposition from business owners, the government recoiled from its original stance.[10] Nonetheless, it still adopted a watered-down version of its proposals.

In the United States, the TCJA's most significant achievement was the massive 14 percentage point cut that lowered the federal corporate income tax rate from 35 percent to 21 percent. Yet again, however, this rate alone does not tell the full story. First, state and local taxes can bring the effective combined rate to as high as 33.94 percent in Philadelphia and 33.12 percent in New York City.[11] Second, U.S. corporations do not enjoy lower rates on long-term capital gains. Third, the TCJA implemented a patent-box-like concession under which U.S. corporations that sell products, provide services, or offer licenses to foreign persons are eligible for a deduction that results in a reduced federal tax rate of 13.125 percent (increased to 16.406 percent for tax years beginning after 2025) on income attributable to their export activities (termed "foreign-derived intangible income"). Thus, while U.S. corporate tax rates in high-tax states are largely comparable to Canadian corporate tax rates, states that do not impose corporate tax are now at a net corporate tax advantage compared with Canada; exporting businesses would further benefit from a concessionary rate of 13.125 percent on some income. Ultimately, according to OECD statistics, Canada's average combined corporate tax rate is 26.8 percent, slightly higher than the average combined U.S. corporate tax rate of 25.84 percent.[12] Obviously, this is not a good place in terms of competitiveness. Canada has altogether lost its corporate tax edge — a major blow as Canada tries to counteract the enormous power of the U.S. economy's attraction.[13]

Historically, the U.S. corporate taxation model — a combination of a high corporate tax rate with under-integration of corporate-shareholder taxation — almost invariably encouraged private business owners to opt for fiscally transparent operating structures (for example, S corporations, sole proprietorships, partnerships, or limited liability companies) resulting in a single level of personal income tax. The TCJA has now upset this paradigm. Because of the substantially reduced federal corporate tax rate, private businesses may now prefer a corporate structure instead of a transparent structure, although they must monitor personal holding company status and accumulated earnings tax to avoid adverse consequences. Moreover, individuals who conduct business using passthrough entities in the United States may now qualify for a new 20 percent deduction. Generally, the deduction is limited to 50 percent of the taxpayer's share of wages paid by the passthrough entity — or, if greater, 25 percent of those wages plus 2.5 percent of the unadjusted basis (determined immediately after acquisition) of all qualified property (generally, tangible property subject to deprecation that is held for use in a trade or

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[9] Manitoba's low rate applies to the first $450,000 of active business income.

[10] *See* Boidman and Kandev, "Canada Retreats From Its Controversial Passive Reinvestment Proposals," *Tax Notes Int'l*, Apr. 9, 2018, p. 333; Boidman and Kandev, "Canada Persists With Plan to Punish Private Corporate Passive Reinvestment," *Tax Notes Int'l*, Oct. 30, 2017, p. 483; and Boidman and Kandev, "Unexpected Canadian Private Company Tax Proposals: A Critique and International Comparative," *Tax Notes Int'l*, Sept. 4, 2017, p. 997.

[11] *See* Boidman 2, *supra* note 2.

[12] OECD, "Table II.1. Statutory Corporate Income Tax Rate" (last updated May 7, 2018).

[13] *See, e.g.*, Amanda Athanasiou, "Another Resource Exploration Company Jumps Ship," *Tax Notes Int'l*, Feb. 5, 2018, p. 497.

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business and used in the production of business income) — and it is not available for taxpayers engaged in specified service businesses such as lawyers or accountants.[14] Ultimately, this provision permits a top marginal tax rate of 29.6 percent on qualifying income. Thus, the TCJA has given a tax break to private business owners beyond the general personal tax rate cut. On this point, it is interesting to observe that while Canada has sought to increase taxes on private companies and their owners, the United States has reformed its tax law in the opposite direction and provided an additional tax cut to private business owners operating through passthroughs.

Finally, from a broader perspective, Canada's general corporate tax rate ranks in the top tier when OECD countries are sorted from highest to lowest combined corporate tax rates.[15] The OECD's corporate tax rate chart is topped by France with a 34.4 percent rate, while Hungary sits at the bottom of the ranking with a 9 percent rate.

Significantly, while Canada led the way with corporate tax reductions in the early 2000s, it has been steadily losing competitive ground. This becomes particularly obvious when one looks at small open economies that are situated at the periphery of large economic centers. In this regard, Ireland has led the way since the early 2000s with its revolutionary 12.5 percent rate. More recently, Switzerland has followed suit with combined federal-cantonal rates just over 12 percent. The Scandinavian countries also have fairly low corporate tax rates — in the 22 to 23 percent range — with Sweden moving on May 3 to gradually reduce its corporate income tax rate down to 20.6 percent by 2021.[16] Even large economies have been notching down their corporate tax rate, with the United Kingdom aggressively moving to 19 percent in 2017 and scheduled to drop further to 17 percent effective in 2020. Even notoriously high-tax France has, under President Emmanuel Macron, adopted corporate tax reform that would bring France's rate down to 25.83 percent (including surtax) by 2022. Obviously, this is food for thought for Canada, which may have little choice but to follow the global trend in corporate tax reductions.

Tax Base Changes

In discussions about tax reform, the flip side of tax rate reductions has often been tax base expansion. As part of the OECD-led BEPS initiative, countries have been aggressively moving to expand their corporate tax bases. These base expansion efforts have primarily focused on foreigners engaged in direct investment but have also included expansion in the outbound context.

Tax Base Expansion in the Inbound Context

While Canada has been an active participant in the BEPS project, thus far Canada seems to be a timid — if not reluctant — adopter of the OECD's prescriptions. A quick review of the principal substantive BEPS action items involving inbound taxation shows that Canada has adopted a wait-and-see approach[17]:

- *On action 1*: Canada's federal government explicitly declared that it will not seek to impose a "Netflix tax," which would have foreign digital suppliers collect and remit the goods and services tax. This caused uproar in Québec, where the provincial government broke ranks with the federal government and proposed a system using the largely harmonized provincial VAT and requiring digital suppliers to register for, collect, and remit the Québec sales tax.[18]

[14] *See* Boidman et al., *supra* note 1.

[15] OECD, *supra* note 12.

[16] Anette Karlqvist, "Bill to Limit Interest Deduction and Reduce Corporate Income Tax Rate Submitted to Parliament," IBFD Tax News Service (May 4, 2018).

[17] Boidman and Kandev, "How Is BEPS Reflected in Canada's Newest Treaties?" *Tax Notes Int'l*, Nov. 7, 2016, p. 585; and Boidman and Kandev, "Canada Takes First BEPS Steps," *Tax Notes Int'l*, Apr. 25, 2016, p. 371.

[18] As part of the Québec 2018-2019 Budget Speech delivered on March 27, Québec Minister of Finance Carlos J. Leitão announced the implementation of a new QST registration system to collect QST from digital suppliers that are nonresidents of Québec. Foreign suppliers will have until January 1, 2019, to register for the QST using this new system, while Canadian suppliers (suppliers outside Québec) will have until September 1, 2019. *See* Revenu Québec, "Ensuring Tax Fairness in the Digital Economy" (Mar. 27, 2018).

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- *On action 2*: Canada has not taken and has not committed to take any steps to attack hybrid mismatch arrangements.[19]
- *On action 4*: Canada has not proposed changes to the fundamental architecture of its long-standing debt-equity ratio thin capitalization rule.
- *On action 6*: Canada has adopted the principal purpose test minimum standard in the multilateral instrument.[20]
- *On action 7*: Canada has not taken any steps to counter the avoidance of permanent establishment status, other than including a deemed services PE rule in the Canada-U.S. treaty amended in 2007.
- *On actions 8-10*: Canada has declared that it already follows the OECD's principles for transfer pricing, while also specifically signaling that it is not yet ready to apply the most controversial BEPS proposals involving cash boxes and hard-to-value intangibles.[21]

In comparison, while many initially saw the United States as overtly suspicions of the OECD BEPS project — with the country rightfully worried that the effort is a thinly veiled tax assault against U.S. multinationals — the TCJA has adopted an overtly anti-BEPS inbound tax base broadening agenda, presumably to pay for the massive tax cuts for U.S. individuals and corporations. In particular, the following items are worth noting[22]:

- *On action 1*: Though not an item in the TCJA, the recent U.S. Supreme Court ruling in *South Dakota v. Wayfair Inc.*, No. 17-494 (2018), affirms South Dakota's right to impose its sales tax on out-of-state online sales. This decision opens the floodgates for an aggressive expansion of state sales tax, namely the imposition of those taxes on out-of-state online retailers.[23]
- *On action 2*: The TCJA introduced a broad anti-hybrid rule. Specifically, the rule disallows a deduction for related-party interest or royalties in a hybrid transaction (that is, a transaction involving a payment that the U.S. tax authorities treat as interest or royalties, but that is not treated in the same manner by the tax law of the recipient's jurisdiction) or a transaction involving a hybrid entity (that is, an entity that the U.S. tax laws treat as a passthrough or corporation but which is treated differently for foreign tax purposes) if (i) the local tax law does provide a corresponding income inclusion to the related party, or (ii) the local tax law allows the related party to deduct the payment. The provision grants the regulatory authority necessary to carry out its purposes for both branches and domestic entities.
- *On action 4*: The TCJA rewrote IRC section 163(j) to align it with the OECD-recommended "30 percent of EBITDA" standard — that is 30 percent of earnings before interest, taxes, depreciation, and amortization. In particular, the TCJA replaced the old earnings-stripping rules — eliminating the 1.5-1 debt-equity ratio safe harbor — with an interest deductibility limit of 30 percent of EBITDA (down from 50 percent) for tax years beginning before January 1, 2022. For tax years beginning after December 31, 2021, the TCJA bases the limitation on 30 percent of EBIT (EBITDA minus the depreciation and amortization component). The new rules exempt businesses with average gross receipts of less than US $25 million as well as specified trades or businesses, including electing real property businesses. Unlike the old law, the new limitation applies regardless of whether the interest is paid to a related party. Taxpayers may carry forward disallowed interest indefinitely.

[19] Boidman and Kandev, "BEPS on Hybrids: A Canadian Perspective," *Tax Notes Int'l*, June 30, 2014, p. 1233.

[20] Boidman and Kandev, "Canada's Limited Approach to the OECD's MLI," *Tax Notes Int'l*, July 3, 2017, p. 63.

[21] Boidman and Kandev, "The OECD's Cash-Box Notion Is 'Fundamentally Flawed,' Writers Say," *Tax Notes Int'l*, Aug. 15, 2016, p. 619.

[22] *See* Boidman et al., *supra* note 1.

[23] *See* Peter Glicklich, Gregg M. Benson, and Heath Martin, "U.S. Supreme Court Decision Permits States to Tax Online Retailers Without Any In-State Physical Presence," *Davies Bulletin* (June 26, 2018).

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Finally, the TCJA enacted the base erosion and antiabuse tax, a broad anti-stripping minimum tax measure targeted at large multinationals — that is, corporations subject to U.S. net income tax that have average annual gross receipts of US $500 million or more if the corporation's base erosion payments are at least 3 percent of the corporation's total deductions for the year. The TCJA imposes a base erosion minimum tax on "base erosion payments" paid or accrued by a taxpayer to a foreign related person, which it defines using a broad 25 percent test. This provision will, in general, not apply to cross-border purchases of inventory includible in cost of goods sold. Basically, any qualifying U.S. company that makes deductible, depreciable, or amortizable payments to foreign related persons may have to pay the excess of 10 percent (12.5 percent for tax years beginning after December 31, 2025) of its modified taxable income (determined without regard to such payments) over the corporation's regular tax liability.

Similar anti-BEPS measures have been pursued in many countries — particularly in the EU — and there are too many relevant developments to adequately summarize them. However, one recent example is Sweden, which has proposed adopting a 30 percent of EBITDA interest limitation and an anti-hybrid rule effective January 1, 2019.[24]

Tax Base Expansion in the Outbound Context

Canada's outbound cross-border tax regime is broadly consistent with the international norm of territorial taxation. In simple terms, active business income earned by a foreign affiliate of a Canadian parent corporation in a country with which Canada has a comprehensive tax treaty or a tax information exchange agreement is eligible for Canada's dividend participation exemption. Canada will, however, tax active business income earned by a foreign affiliate in a non-treaty country, with credit for source country taxes. Unlike many European countries, Canada does not have a capital gains participation exemption and does not have an exemption for foreign active business income earned directly by a Canadian company through a PE abroad. Foreign accrual property income is subject to attribution in accordance with Canada's controlled foreign corporation regime when earned by a controlled foreign affiliate.

Canada's participation exemption is very favorable. In particular, it allows passive income to retain its eligibility for the participation exemption as long as it was deductible in computing a foreign affiliate's active business earnings.

The most recent fundamental changes to the system occurred in 2011, thus predating the BEPS initiative. Those reforms sought to expand Canada's outbound tax base by reinforcing the absence of a capital gains participation exemption. More recently, Canada has not committed to any particular BEPS-motivated actions involving its outbound taxation regime.

By comparison, the United States was historically a global outlier, given its insistence on maintaining a worldwide, credit-method outbound taxation regime. It became the only major country to use a worldwide system after Japan and the United Kingdom moved to territorial systems in the 2000s. While the U.S. system was a worldwide credit regime in theory before 2018, in practice it allowed U.S. multinationals to indefinitely defer taxation of foreign profits held abroad — effectively producing territorial outcomes.

The TCJA upset this entire regime. It forced the repatriation of most pre-2018 foreign-based profits at a concessionary rate, established a dividend participation exemption, and introduced a new regime for so-called global intangible low-taxed income. While these changes were heralded as a decisive move by the United States to a territorial system for outbound taxation, this has turned out to be an illusion — if not an outright misrepresentation.[25] In particular, the new GILTI system effectively establishes a broad regime of attribution of foreign-based active business income. The TCJA directs a U.S. shareholder of a CFC to make a current-year inclusion for its pro rata share of a CFC's GILTI.[26] Broadly, GILTI is the excess of the CFC's taxable

[24] *See supra* note 16.

[25] Boidman, "The U.S.'s Illusionary Turn to Territoriality," *Tax Notes Int'l*, Feb. 12, 2018, p. 619.

[26] *See* Boidman et al., *supra* note 1.

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income over 10 percent of its aggregate adjusted basis in depreciable tangible property. The TCJA grants U.S. corporate shareholders a deduction equal to 50 percent of the GILTI that would otherwise be includible in income. This deduction is reduced to 37.5 percent for tax years beginning after 2025. Considering the 80 percent credit for foreign taxes that the GILTI regime allows, a CFC must pay a current implicit tax rate of 13.125 percent on its active income to avoid GILTI attribution. Hence, under the guise of a much-publicized shift to a territorial system of outbound taxation, the United States has effectively expanded its outbound tax base.

Outbound tax base expansion has also been occurring in Europe under the aegis of the OECD BEPS initiative and, more directly, in accordance with the EU's anti-tax-avoidance directives, which mandated that European countries without a CFC regime, such as the Netherlands, adopt one.

Conclusion

While tax reform has been a top priority for many developed countries (and other jurisdictions) in recent years, Canada has unfortunately fallen behind in maintaining its tax competitiveness in comparison with other OECD countries and — most significantly — compared with the United States. Since 2016 Canada has seen substantial personal tax increases and some corporate tax hikes. At the same time, it has been shy about aggressively pursuing an anti-BEPS tax base expansion agenda.

Canada's federal Liberal government faces a dilemma: Tax reform trends in the United States and Europe seem to favor substantial personal and corporate tax rate cuts, but the Liberals have been dogmatic about increasing taxes on the rich.[27] Canada may no longer have a real choice: It may be forced to drop its corporate income tax rate now that the United States has cut its federal corporate rate by a whopping 14 percentage points. If Canada pursues a tax reform initiative, it must do so decisively and aggressively, like Ireland did in the early 2000s. A rate reduction should be part of a broader tax reform effort — something Canada needs — and it should involve a wholesale review of Canada's overly complex corporate tax system. Canada would also need to consider a personal tax rate cut or a wholesale review of the taxable income margins if it is to attract and retain top talent. Obviously, many countries have turned to BEPS-related measures for tax receipts, and Canada has been rightfully cautious about adopting these measures, which would necessarily further impede inbound investment.

The question then becomes: How can Canada find the requisite tax revenue if it wishes to maintain its cherished social system? The answer most likely is higher consumption taxes. For a country like Canada with an important welfare system, the VAT is a relatively untapped source of tax receipts. Canada imposes a federal VAT, called a GST, at a rate of 5 percent. Five participating provinces add on to the federal GST system, while Québec operates its own independent but largely harmonized system. The prevailing combined GST rate in Québec and Canada's maritime provinces is 15 percent. In Ontario the rate is 13 percent. The rate stands at 5 percent in Alberta, Manitoba, Saskatchewan, and British Columbia — the latter three provinces impose a traditional retail sales tax and Alberta does not impose any provincial sales tax. The existing Canadian VAT rates are a result of the highly controversial GST rate cut — down from 7 percent — that former Prime Minister Stephen Harper implemented in 2006.

The United States does not impose a VAT or a federal sales tax, but public services are notoriously basic. European countries — which have welfare systems much more comparable to Canada's — have VAT rates hovering around 20 percent. VAT rates are at around 25 percent in the Scandinavian countries. This suggests that if Canada is to move in the direction of increasing its personal and corporate income tax competitiveness, it will need to opt for substantially higher VAT rates to avoid structural deficits and preserve the viability of the Canadian welfare state.

This is all food for thought as Canada's government studies the impact of U.S. tax reform and contemplates ways to improve Canada's tax competitiveness. ■

[27] Amanda Athanasiou, "Canada Urged to Stop Tax Rate Race to the Bottom," *Tax Notes Int'l*, July 16, 2018, p. 286.

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