

# Corporation Tax

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# Corporation Tax Definition

- A corporate tax is a tax on the profits of a corporation. The taxes are paid on a company's taxable income
- Created in 1894 by the American government at a rate of 1%
- The progressive tax averages at **21.9%** in Europe but is easily avoidable through tax drift and avoidance by large multinational companies

# Ireland : Corporation Tax

- From 1993-2003, Ireland's corporation tax has shifted from 40% to 12.5%
- Since the shift, Ireland is now the "European hub" of over 1000 multinational companies
- Example; Apple, Amazon, Tiktok, Facebook; Linkdeln, Microsoft, Google
- However, considered the largest tax haven in the world, due to the massive amounts of tax drift and avoidance occurring



# France : Corporation Tax

- Corporation tax (IS) is taken on profits made in a financial year by companies operating in France. The company must report and pay the IS on fixed dates.  
Mandatory imposition for: SA, SARL, SCA, SAS, SEL, SELARL  
Optional imposition for: EIRL, EURL, SNC, + few others
- Profits earned abroad through branches are not subject to IS.
- The **standard rate of the IS is 26.5%** on the total of financial result. (27,5 above 250M€)
- The **reduced rates** apply to SMEs that meet the following two conditions:  
Turnover excluding taxes, less than €7.63 million  
Fully paid-up capital held at least 75% by a person (or by a company applying this criterion)
- The rate of **15%** applies to the less than €38,120 of profits. Then standard rate.

# South Korea : Corporation Tax

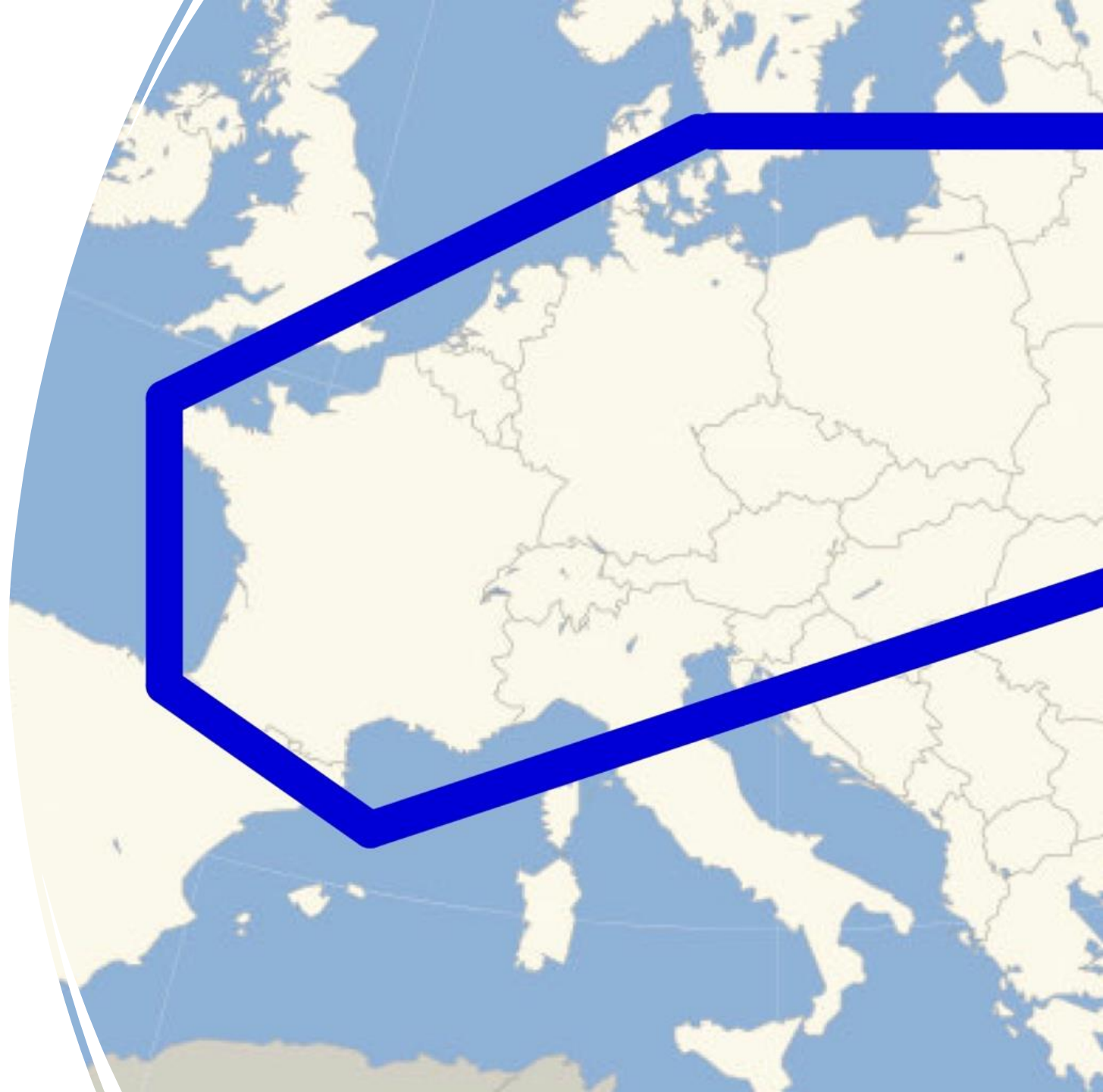
- The corporation tax in Korea is based on the net income companies obtain while exercising their business activity, Normally **during one business year**.
- **Maximum** corporate tax rate is **25%** (since 2018)
- **Real corporation tax** rate is about **19.1%** (2019)

Tax base	Tax Rate
Less than KRW 200M won	10%
From KRW 200 million to KRW 20 billion	20%
From KRW 20 billion fo KRW 300 billion	22%
Over KRW 300 billion(USD 200M\$)	25%

# ESSCALAND - Who are we?

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- Large, highly influential European country
- Already apart of the EMU
- In this world, EU standard corporation tax rates are fixed at 20%



# Corporation policy in ESSCALand

20%

Standard Corporation Tax rate



Company earning **more than 200M** in one year -> **25%**

SMEs earning **less than 7.5M** -> **15%**



Special Tax condition for **start-up** -> **0.5%** but max **30 employees** -> Standard rate



Special tax condition for "**Green**" Companies -> **16.5%**



To prevent companies from leaving ESSCALand

# The consequences of our policy

- Average corporate rates in the world (2021) = 23.54% *according to Sean Bray who is an EU Policy Analyst at the Tax Foundation*  
We have 20% so our country is more competitive than the rest of the world and we will **attract FDI** (Foreign Direct Investment).
- SMEs represent 99% of the business according to the European Commission, therefore we have **2 specials rates** for them.
- We also know that **start-up** increase the R&D on the market and global competitiveness, we are aware of the difficulties they face, that's why they pay **almost no taxes** (0.5%).
- We are promoting companies that take protective measures toward the environment with a special rate, therefore we invite everyone to modify their habits.

Our policies **avoids unemployment** because it's easy for the companies to grow and recruit people. Thanks to the competitiveness on the market **prices are low for customers**, and we are **supporting the environment** to fight against global warming. Esscaland does not let companies go easily and that's bring **more security for the employment**.



THANK

YOU

CONCLUSION

FOR

LISTENING

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