

# CORPORATION TAX

Jitesh PUNJABI

Mamura KARIMOVA

Manuella NDJUIKAM

Mary-Joyce TONYE

# OUTLINE

I- WHAT IS CORPORATION TAXES?

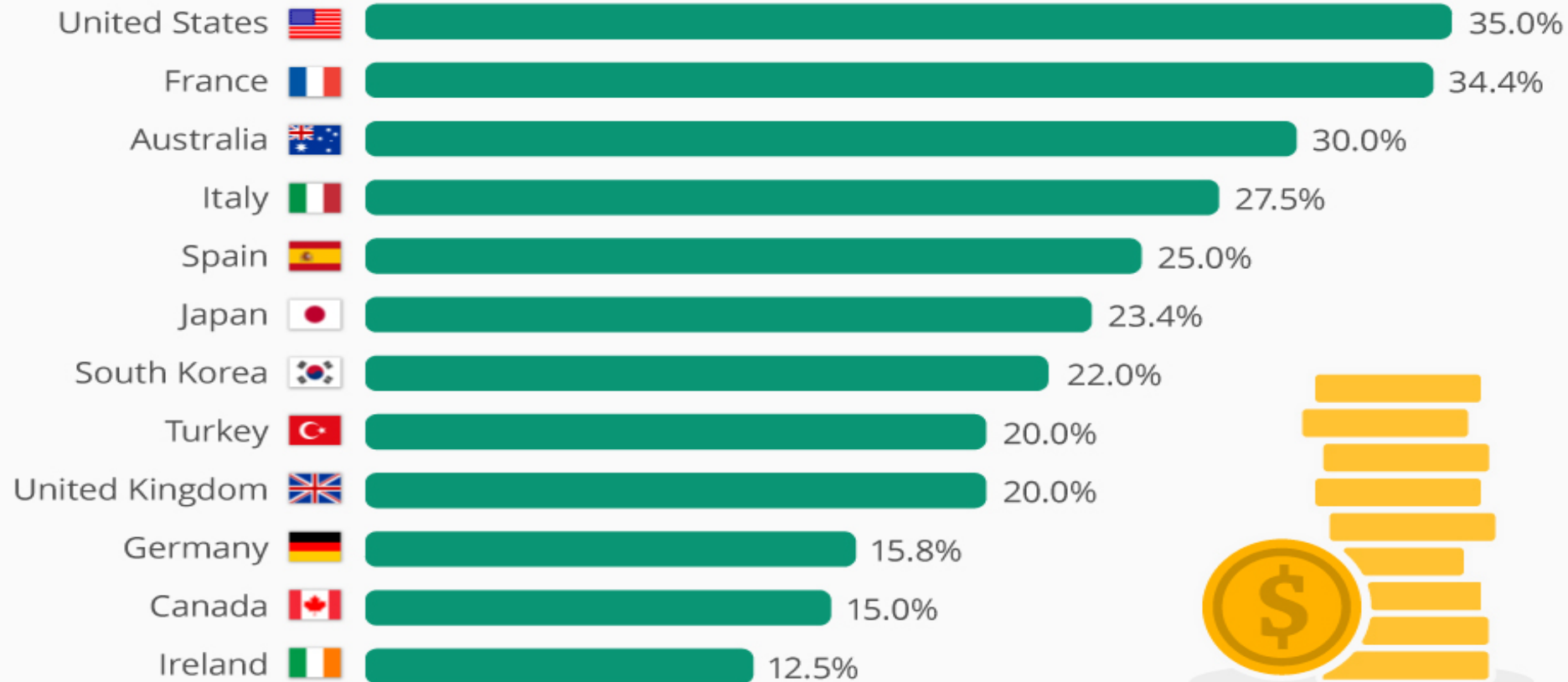
II CORPORATION TAXES OF CAMEROON, NETHERLANDS  
AND SOUTH KOREA

III- THE CASE OF ESSCALAND: THE BEST SOLUTION.

# I- WHAT IS CORPORATION TAX?

## Global Corporation Tax Levels In Perspective

Corporate income tax rate in selected OECD countries in 2016



**Corporation tax** is a tax imposed on the net income of the company.



\* The basic central government statutory (flat or top marginal) corporate income tax rate.

Source: OECD

## II- 1.CORPORATE TAX RATE OF CAMEROON

Tax rate: 33% (Corporate tax of 30%+10% additional council tax)

Corporate tax base= Turnover-Costs

Taxation regimes	Turnover
Flat rate taxation system	Turnover < XAF 10M (15 267 euros)
Simplified taxation system	XAF 10M=<Turnover< XAF 50M
Actual earnings taxation system	Turnover>= XAF 50M (76 335.8 euros)

**Exception: 30%** reduced rate for companies listed on the national stock exchange

## EVOLUTION OF THE CIT

CAMEROON CORPORATE TAX RATE

- Until 2014: 38.5% (35%+10% additional council taxes)
- Since 2015: 33% (30%+10% additional council taxes)
- The main objectives were to encourage domestic investors and attract foreign investors



## 2. Corporation Tax Netherlands

- Who pays?  
Public and Private companies
- Exceptions?  
Legal entities such as "Tax Investment Institutions"
- Tax rate depends on taxable amount
- Taxable amount = taxable profit in a year less deductible losses
- $TA < €200,000$  , Tax rate is 20%
- $TA \geq €200,000$  , Tax rate is 25%



Reduced rate applied to activities cover by the **innovation box**

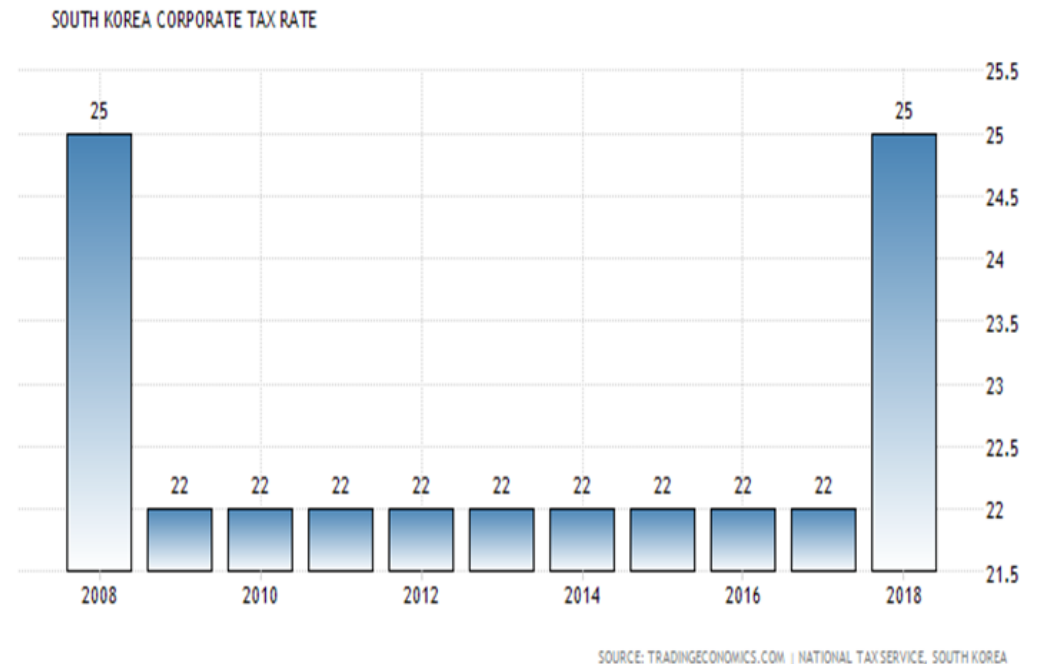
### 3. Corporate tax rate of ROK (2018)

National rate	Taxable Income ( EURO)
10 %	150827 million
20%	Above 200 million up to 15 billion
22%	Above 15 billion up to 230 billion
25 %	Over 240 billion

- Generally, Samsung electronics pay the most corporate tax, followed by Hyundai Motor ( over 3 trillion won and 1.5 trillion won)
- The hike in corporate tax rate, impacting 77 companies budget their collective annual tax burden

# Corporation tax of South Korea

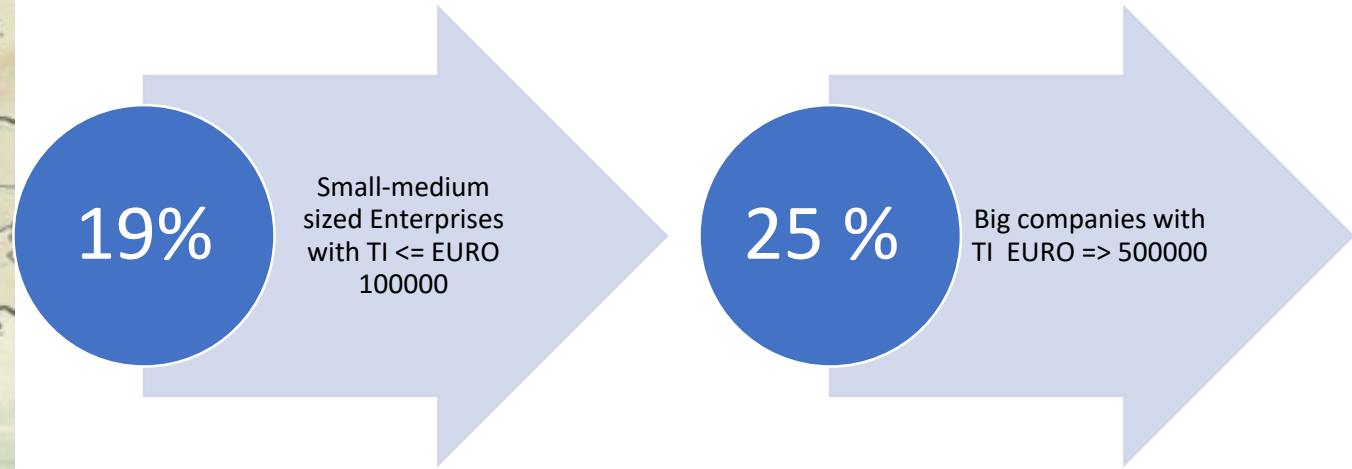
- Raising corporate tax so as to fight inequality and create jobs
  - From 22 % to 25 % which runs counter to the global trend
- Burden on companies but brings positive impacts on corporate activities
- hike will undermine investment and wages



The change in the corporate income of the companies which generate more than KRW 300 billions of taxable income a year



# III-CORPORATE TAX RATE ESSCALAND



# Desired Goals

- To create jobs and boost wages and living standards
- To encourage foreign investments
- Lowering the burden on small and new companies to some extent
- To reduce corporate tax rate for start-ups (to promote employment) for 10 years
- For the companies with innovative projects- lower Corporate tax rate to promote innovation

## Lower tax rates

Start-ups	Innovative Co.
5%	15%