A tax expenditure is a ‘tax break’ allowed to a taxpayer or group of taxpayers, for example, by way of concession, deduction, deferral or exemption. The tax expenditure concept, as it was first identified, was designed to demonstrate the similarity between direct government spending on the one hand and spending through the tax system on the other. The identification of benefits provided through the tax system as tax expenditures allows analysts to consider the fiscal significance of those parts of the tax system which do not contribute to the primary purpose of raising revenue. Although a seemingly simple concept, it has generated a range of complex definitional and practical issues, and this book identifies and critically assesses the controversial aspects of tax expenditure and tax expenditure management.

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TAX EXPENDITURE MANAGEMENT

A Critical Assessment

MARK BURTON

and

KERRIE SADIQ

Cambridge University Press
978-1-107-00736-9 - Tax Expenditure Management: A Critical Assessment
Mark Burton and Kerrie Sadiq
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ACKNOWLEDGEMENTS

For Marie-Louise and Will – tax might not be the centre of the moral universe, but you are both the centre of mine: Mark.

For Mohsan, Lily and Erin – you are my constant rays of sunshine: Kerrie.

From both of us, we would like to express thanks to all of those who have advised, encouraged and helped us over this journey. Any fault of the text is, however, down to us.