

CORPORATE INCOME TAXATION EFFECTS ON INVESTMENT DECISIONS IN THE EUROPEAN UNION

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ABSTRACT: The link between investment decisions undertaken by economic agents and corporate income (profit) taxation is well documented in theoretical studies realized so far. But, the empirical evidence is very mixed and do not provide clear answers regarding the magnitude of the taxation effects on investment and the proper transmission channels for these effects. So, we propose to investigate the effects of corporate income (profit) tax burden on investment decision for a sample composed from EU Member States.

Key words: corporate income taxation, investment, q theory

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