

Springer

1st
edition

2002, XI, 237 p.

Printed book

Hardcover

Printed book

Hardcover

ISBN 978-1-4020-0484-1

£ 109,99 | CHF 141,50 | 119,99 € |

131,99 € (A) | 128,39 € (D)

Available

Discount group

Science (SC)

Product category

Contributed volume

Series

Nonconvex Optimization and Its Applications

Other renditions

Softcover

ISBN 978-1-4419-5209-7

Mathematics : Optimization

Dzemyda, G., Saltenis, V., Žilinskas, A. (Eds.), Institute of Mathematics & Informatics, Vilnius, Lithuania

Stochastic and Global Optimization

In the paper we propose a model of tax incentives optimization for investment projects with a help of the mechanism of accelerated depreciation. Unlike the tax holidays which influence on effective income tax rate, accelerated depreciation affects on taxable income. In modern economic practice the state actively use for an attraction of investment into the creation of new enterprises such mechanisms as accelerated depreciation and tax holidays. The problem under our consideration is the following. Assume that the state (region) is interested in realization of a certain investment project, for example, the creation of a new enterprise. In order to attract a potential investor the state decides to use a mechanism of accelerated tax depreciation. The following question arise. What is a reasonable principle for choosing depreciation rate? From the state's point of view the future investor's behavior will be rational. It means that while looking at economic environment the investor choose such a moment for investment which maximizes his expected net present value (NPV) from the given project. For this case both criteria and "investment rule" depend on proposed (by the state) depreciation policy. For the simplicity we will suppose that the purpose of the state for a given project is a maximization of a discounted tax payments into the budget from the enterprise after its creation. Of course, these payments depend on the moment of investor's entry and, therefore, on the depreciation policy established by the state.

Order online at springer.com/booksellers**Springer Nature Customer Service Center GmbH**

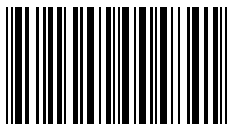
Customer Service

Tiergartenstrasse 15-17

69121 Heidelberg

Germany

T: +49 (0)6221 345-4301

row-booksellers@springernature.com

ISBN 978-1-4020-0484-1 / BIC: PBU / SPRINGER NATURE: SCM26008

Prices and other details are subject to change without notice. All errors and omissions excepted. Americas: Tax will be added where applicable. Canadian residents please add PST, QST or GST. Please add \$5.00 for shipping one book and \$ 1.00 for each additional book. Outside the US and Canada add \$ 10.00 for first book, \$5.00 for each additional book. If an order cannot be fulfilled within 90 days, payment will be refunded upon request. Prices are payable in US currency or its equivalent.