

Prof. Dr. Philipp Dörrenberg & Prof. Dr. Christoph Spengel

Tax 730: Seminar in Taxation
Behavioral Biases in Tax-Related Decision-Making (Fall 2025)

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Topic 1: Grunderwerbsteuer bei Anteilsübertragungen – Verringerter Gestaltungsspielraum für Steuerpflichtige im Zuge der Reform 2021

Description:

Der Grunderwerbsteuer als Verkehrsteuer unterliegen grundsätzlich Erwerbsvorgänge, die den Übergang von Grundstücken zwischen unterschiedlichen Rechtsträgern zum Gegenstand haben. Bei sogenannten Share Deals, der Übertragung von Anteilen an Gesellschaften mit Grundbesitz, findet ein Rechtsträgerwechsel an Grundstücken nicht statt. Gleichwohl hat der Gesetzgeber bereits vor längerer Zeit in § 1 GrEStG mehrere Ersatztatbestände aufgenommen, um die Übertragung von Anteilen an Grundstücksgesellschaften – unter bestimmten Voraussetzungen – grunderwerbsteuerlich zu erfassen. Vonseiten der Steuerpflichtigen wurde hierauf mit Umgehungsstrategien reagiert, weshalb die Voraussetzungen der Ersatztatbestände sukzessive nachgeschärft wurden – was wiederum zum Einsatz immer neuer Gestaltungsmodelle führte. Dieses Katz-und-Maus-Spiel zwischen Gesetzgeber und Steuerpflichtigen kulminierte zuletzt in der Grunderwerbsteuerreform 2021.

Ziel der Seminararbeit ist eine Bewertung der Reform von 2021 im Hinblick auf mögliche Verhaltensanpassungen der Steuerpflichtigen. Dabei soll literaturbasiert herausgearbeitet werden, inwieweit Gestaltungspotenziale erfolgreich unterbunden wurden bzw. die Steuerzahler auf die angepasste Rechtslage mit neuen Umgehungsstrategien reagieren werden.

Further readings:

Behrens, S., Wagner, T., 2021. Verschärfung des GrEStG für Share Deals ab 01.07.2021. Der Betrieb, S. 866-873.

Broemel, K., Mörwald, F. B., 2021. Auslegungs- und Anwendungsfragen zur Grunderwerbsteuerreform. Deutsches Steuerrecht, S. 1624-1629.

Dorn, K., 2023. Quo vadis Grunderwerbsteuer? Der Konzern, S. 498-500.

Naumann, J., 2022. Share Deals in der Grunderwerbsteuer – Bisherige Verschärfungen und weiterer Reformbedarf. Die Unternehmensbesteuerung, S. 291-300.

Topic 2: And what about the “Kirchensteuer”? – A critical assessment of how church membership departures are reflected in church tax revenues in Germany

Trigger Warning: *This thesis does not speak to the religion of Christianity, nor is the topic intended / an invitation to criticize the institution “church”. Nevertheless, some people could find it offensive as church membership is a deeply personal decision in Germany.*

Description:

In 2025 the German church tax revenue is projected to amount to EUR 14.1 bn. But the sheer size of the amount is deceptive. In real terms this tax revenue is slightly declining for several years in a row now. In Germany, church taxes are the only tax that is entirely optional to the agent paying. I.e. upon reporting ones church membership to the employer / bank, the tax is withheld e.g., together with social security contributions and income taxes. Subsequently, it is transmitted to the government, which in turn passes it on to the respective church. If a subject however, opts out of their church membership, the tax will no longer be withheld. As many Germans were baptized shortly after birth, the tax is de facto subject to “opting out”, rendering it interesting from a behavioral point of view. This seminar thesis assesses the “church tax” as implemented in Germany from both a normative and historical perspective. Subsequently, it analyzes how church membership departures are reflected in church tax revenues and estimates a counterfactual church tax revenue in the absence of church membership departures.

Further readings:

Boyer, P. C., Dwenger, N., Rincke, J., 2016. Do norms on contribution behavior affect intrinsic motivation? Field-experimental evidence from Germany. *Journal of Public Economics* 144, p. 140-153.

Hentze, T., 2023. Kirchensteuereinnahmen sinken kaufkraftbereinigt. *Wirtschaftsdienst* 103(5), p. 352-354.

Peters, F., Gutmann, D., 2020. Kirchensteuerentwicklung der beiden großen Kirchen in Deutschland. Eine Projektion bis 2060. *ZöGU – Zeitschrift für öffentliche und gemeinwirtschaftliche Unternehmen* 43, Heft 1-2, S. 65-84.

Topic 3: From principle to practice: Behavioral responses to environmental taxation in Scandinavia

Description:

Norway operates one of the world's longest-standing carbon tax regimes, introduced in 1991, which applies to sectors such as transport, petroleum, and manufacturing. Sweden and Denmark have implemented similar frameworks, featuring differentiated rates and exemptions to balance environmental objectives with economic considerations.

This seminar thesis aims to examine the environmental Pigouvian tax systems in these countries, with a focus on how these taxes perform in practice compared to predictions based on traditional economic models. Despite the theoretical efficiency of Pigouvian taxes, real-world outcomes are often shaped by human behavior. The aim is to explore the gap between expected and actual responses to these taxes, specifically the factors influencing individual and corporate decision-making.

Further readings:

- Andreassen, G. L., Kallbekken, S., Rosendahl, K. E., 2024. Can policy packaging help overcome Pigouvian tax aversion? A lab experiment on combining taxes and subsidies. *Journal of Environmental Economics and Management* 127, p. 103010-103026.
- Bovenberg, A. L., Goulder, L. H., 2002. Environmental taxation and regulation. *Handbook of public economics* 3, p. 1471-1545.
- Manta, A. G., Doran, N. M., Bădîrcea, R. M., Badareu, G., Țăran, A. M., 2023. Does the implementation of a Pigouvian tax be considered an effective approach to address climate change mitigation?. *Economic Analysis and Policy* 80, p. 1719-1731.

Topic 4: The effect of capital gains taxation on investment behavior and capital allocation – A critical analysis

Description:

Capital gains taxes are designed to ensure that investment returns are taxed fairly. However, the way in which investors respond to these taxes is not always economically optimal. Instead of selling a successful investment and reallocating capital to a more promising opportunity, some investors hold on to their assets for tax reasons – even when it may not be financially optimal to do so. This behavior can result in capital being locked in suboptimal investments, reducing efficiency in capital markets. This seminar thesis aims to explore how capital gains taxation affects individual investment decisions and examines whether the current tax design leads to unintended economic consequences. Drawing on theoretical arguments and empirical evidence, the thesis will critically assess the impact of capital gains taxation on investor behavior and capital allocation.

Further readings:

Dai, Z., Maydew, E., Shackelford, D. A., Zhang, H. H., 2008. Capital Gains Taxes and Asset Prices: Capitalization or Lock-in?. *The Journal of Finance* 63 (2), p. 709-742.

Jin L., 2006. Capital Gains Tax Overhang and Price Pressure. *The Journal of Finance* 61 (3), p. 1399-1431.

Chyz, J. A., Li, O. Z., 2012. Do tax sensitive investors liquidate appreciated shares after a capital gains tax rate reduction?. *National Tax Journal* 65 (3), p. 595-628.

Topic 5: The effects of public tax disclosure on firms – A critical literature reviewDescription:

In an effort to curb tax avoidance by multinational firms, countries are increasingly adopting mandatory public tax disclosure rules aimed at enhancing transparency. A prominent example is the European Union's adoption of public Country-by-Country Reporting (CbCR). While the main objective of such disclosure regimes is to deter companies from engaging in aggressive tax planning by subjecting them to public scrutiny, the implications for companies can go far beyond reducing tax planning.

This seminar thesis aims to provide a critical review of the existing literature on the effects of public tax disclosures on firms. The review should consider both intended consequences as well as unintended side effects.

Further readings:

Müller, R., Spengel, C., Weck, S., 2024. How do investors value the publication of tax information? Evidence from the European public country-by-country reporting. *Contemporary Accounting Research* 41, p. 1893-1924.

Afrin, F., Chen, N. X., Chi, S., Persson, Anh., 2025. The Effect of Private Country-by-Country Reporting on Mergers and Acquisitions. Working Paper available at [10.2139/ssrn.4994645](https://ssrn.com/abstract=4994645).

Sieber, S., 2021. Reaktionen von Kunden und Investoren auf zunehmende Steuertransparenz. *DStR*, p. 2656-2662.

De Simone, L., Olbert, M., 2022. Real effects of private Country-by-Country Reporting. *The Accounting Review* 97(6), p. 201-232.

Muenster, T., Watrin, C., 2024. Country-by-Country Disclosures and Firms' Internal Information Environment. Working Paper available at <https://dx.doi.org/10.2139/ssrn.4627324>.

Topic 6: Executive characteristics and corporate tax avoidance – A critical literature reviewDescription:

Corporate tax avoidance involves strategic choices by firms to minimize their tax liabilities within legal boundaries. Apart from firm-level and jurisdictional factors that determine tax avoidance, previous literature has found individual characteristics of executives shape these decisions. This seminar thesis will critically review the theoretical arguments and empirical evidence on which decision-maker attributes drive corporate tax avoidance and how personal incentives, cognitive biases, and social norms among executives affect the design and implementation of tax strategies.

Further readings:

Dyreng, S. D., Hanlon, M., Maydew, E. L. 2010. The effects of executives on corporate tax avoidance. *The Accounting Review* 85(4), p. 1163-1189.

Francis, B. B., Hasan, I., Wu, Q., Yan, M. 2014 Are female CFOs less tax aggressive? Evidence from tax aggressiveness. *The Journal of the American Taxation Association* 3(2), p. 171-202.

Hanlon, M. Yeung, K., Zuo, L. 2022. Behavioral economics of accounting: A review of archival research on individual decision makers. *Contemporary Accounting Research* 39(2), p. 1150-1214.

Law, K., and Mills, L. F. 2017. Military experience and corporate tax avoidance. *Review of Accounting Studies* 22, p. 141-184.

Topic 7: Optionsmodelle im Steuerrecht als Garant für Rechtsformneutralität?
Funktionsweise, praktische Probleme und verhaltensökonomische Aspekte

Description:

Eine steuerliche Rechtsformneutralität ist in Deutschland aus ökonomischer wie verfassungsrechtlicher Sicht erforderlich: Wirtschaftlich vergleichbare Unternehmen sollen ungeachtet ihrer Rechtsform steuerlich gleich behandelt werden, was insbesondere aus dem allgemeinen Gleichheitssatz des Art. 3 Abs. 1 GG folgt. Mit Einführung des § 1a KStG im Jahr 2022 wurde ein Schritt in diese Richtung unternommen, da Personenunternehmen die Option eröffnet wurde, wie Kapitalgesellschaften besteuert zu werden. Von dieser Option wird jedoch kaum Gebrauch gemacht. Die 2024 eingesetzte Kommission zur Vereinfachung des Unternehmenssteuerrechts hat in diesem Kontext auch ein transparenzorientiertes Optionsmodell diskutiert, bei dem Kapitalgesellschaften auf Antrag steuerlich wie Personengesellschaften behandelt würden.

Diese Seminararbeit voll vor dem Hintergrund der Probleme in der Praxis und verhaltensökonomischer Aspekte evaluieren, ob Optionsmodelle ein geeigneter Weg sind, eine rechtsformneutrale Besteuerung herbeizuführen.

Further readings:

Bundesministerium der Finanzen, 2024. Bericht der Kommission zur Vereinfachung des Unternehmenssteuerrechts. S. 35-38. Berlin. Verfügbar unter:
https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/bericht-kommission-vereinfachte-unternehmensteuer.pdf.

Deutscher Steuerberaterverband e.V. (2023). Stellungnahme S 01/23 zur Evaluierung der Option zur Körperschaftsbesteuerung (§ 1a KStG) und der Thesaurierungsbegünstigung (§ 34a EStG). Verfügbar unter:
<https://www.dstv.de/stellungnahmen-pool/evaluierung-der-option-zur-koerperschaftsbesteuerung-c2a7-1a-kstg-und-der-thesaurierungsbeguenstigung-c2a7-34a-estg>.

Hennrichs in: Tipke/Lang, Steuerrecht, 25. Auflage 2024, D. Rechtsformneutralität der Unternehmensbesteuerung.

Samuelson, W. und Zeckhauser, R., 1988. Status quo bias in decision making. *Journal of Risk and Uncertainty* 1, S. 7–59.

Schreiber, U. und Kahle, H, 2025. Rechtsformneutralität oder Rechtsformflexibilität? Zur Begründung steuerlicher Optionsrechte. *Steuer und Wirtschaft* 2025, S. 42-53.

Topic 8: Behavioral barriers in personal income tax filing – Consequences and possible solutions

Description:

Despite the availability of digital tools and increasing simplification efforts, filing personal income taxes remains a burdensome and error-prone task for many taxpayers. Behavioral research shows that taxpayers are frequently overwhelmed by the cognitive demands of tax filing, leading to mistakes, inefficiencies, and missed refunds. The aim of this seminar thesis is to analyze the current challenges with respect to the current PIT filing process in Germany and to and to evaluate proposed policy solutions discussed in the ongoing reform debate.

Further Readings:

Benzarti, Y., 2020. How Taxing Is Tax Filing? Using Revealed Preferences to Estimate Compliance Costs. *American Economic Journal: Economic Policy* 13(4), p. 1–24.

Hauck, T., Wallossek, L., 2024. Optional (Non-)Filing and Effective Taxation. *Journal of Public Economics* 238 (105187), p. 1-9.

Wallossek, L., 2024. Lost in Deduction: Taxpayers' Mistakes When Itemizing. In L. Wallossek, *Public Policy Complexity, Individual Behavior, and Inequality* (Doctoral dissertation). LMU Munich.

Expertenkommission Bürgernahe Einkommensteuer, 2024. Abschlussbericht: Weniger Bürokratie, mehr Digitalisierung - Wege zu einer bürgerfreundlichen Einkommensteuer. BMF Berlin.

Topic 9: Behavioral responses to the Tax Cuts and Jobs Act (TCJA) – A critical analysis**Description:**

The Tax Cuts and Jobs Act (TCJA) was the most significant change in U.S. corporate tax policy since 1986. Among its key provisions, the corporate income tax rate was substantially reduced from 35% to 21%, aiming to enhance the global competitiveness of U.S. firms. In addition, the TCJA introduced three novel international tax measures: GILTI (Global Intangible Low-Taxed Income), FDII (Foreign-Derived Intangible Income), and BEAT (Base Erosion and Anti-Abuse Tax), which altered the tax treatment of income earned by multinational enterprises. Furthermore, the reform changed the U.S. tax system from a worldwide to a territorial system while significantly reducing the repatriation tax. This seminar paper critically examines the behavioral responses of firms to the TCJA, focusing on how the reform influenced corporate decision-making, tax planning strategies, and profit shifting. It aims to explain how large-scale tax reforms shape corporate behavior in a globalized economy.

Further Readings:

- Clausing, K. A., 2020. Profit shifting before and after the Tax Cuts and Jobs Act. *National Tax Journal* 73(4), p. 1233-1266.
- Dharmapala, D., 2024. The consequences of the 2017 US international tax reform: a survey of the evidence. *International Tax and Public Finance* 31(4), p. 1158-1178.
- Dyreng, S. D., Gaertner, F. B., Hoopes, J. L., Vernon, M. E., 2023. The effect of US tax reform on the taxation of US firms' domestic and foreign earnings. *Contemporary Accounting Research* 40(3), p. 1881-1908.
- Nessa, M. L., 2017. Repatriation tax costs and US multinational companies' shareholder payouts. *The Accounting Review* 92(4), p. 217-241.

Topic 10: (Tax) Policy expectations and investment – A critical literature reviewDescription:

“Nothing is certain but death and taxes” might be true in theory, but recent news show that tax and tariff policy can both change quickly (see, e.g., “Liberation Day” tariffs by Donald Trump), or be announced some years in advance (see, e.g., the plan of the German government to reduce the corporate tax rate). While the anticipated policy change itself does not change behaviour, the *expectation* about policy changes could very well prompt firms to behave differently, for example by shifting investment plans in time. The aim of this seminar thesis is to give a critical review of the literature regarding policy expectations, look at how they are formed, how they can be measured and how they potentially affect corporate investment decisions.

Further readings:

- Baker, S. R., Bloom, N., Davis, S. J., 2016. Measuring Economic Policy Uncertainty. Quarterly Journal of Economics, 131, p. 1593-1636.
- Gallemlere, J., Hollander, S., Jacob, M., Zheng, X., 2025. Tax Policy Expectations and Investment. Journal of Accounting Research, 63(1), p. 363-412.
- Guceri, I., Albinowski, M., 2021. Investment responses to tax policy under uncertainty. Journal of Financial Economics, 141, p. 1147-1170.
- Langenmayr, D., Simmler, M., 2024. JUE insight: Expectations about future tax rates and firm entry. Journal of Urban Economics, 142, 103666.
- Wagner, A. F., Zeckhauser, R. J., Ziegler, A., 2018. Company stock price reactions to the 2016 election shock: Trump, taxes, and trade. Journal of Financial Economics, 130, p. 428-451.

Topic 11: Behavioral biases in tax evasion schemes: The case of Cum-Ex transactionsDescription:

Understanding why individuals and companies engage in tax evasion is crucial for enhancing tax compliance and designing more effective regulations. While traditional economic theory assumes that people make fully rational decisions, research in behavioral economics shows that psychological factors and cognitive biases often influence financial and tax-related decisions. The Cum-Ex scandal is one of the largest tax scandals in Europe, involving complex financial transactions that allowed taxes to be illegally reclaimed multiple times. Despite high risks and legal uncertainty, many banks, investors, and advisors participated in these transactions. Behavioral biases, such as overconfidence, optimism bias, and social norms, may have influenced these decisions. The goal of this seminar thesis is to examine how behavioral biases contribute to the use of Cum-Ex transactions. First, it could explain the differences between tax planning, tax avoidance, and tax evasion, and introduce important behavioral concepts related to tax behavior. Then, it shall aim to analyze why individuals and companies engage in risky and illegal tax strategies, using behavioral theories and the Cum-Ex scandal as a case study.

Further readings:

Eisgruber, T., Spengel, C., 2015. Die nicht vorhandene Gesetzeslücke bei Cum Ex Geschäften. Deutsches Steuerrecht, 52(16), S. 785-801.

European Parliament, 2018. Cum-Ex Scandal: Financial Crime and the Loopholes in the Current Legal Framework. Public Hearing available <https://www.europarl.europa.eu/committees/en/cum-ex-scandal-financial-crime-and-the-l/product-details/20181114CHE05361> (04. 06. 2025).

Kirchler, E., 2007. The Economic Psychology of Tax Behaviour. New York: Cambridge University Press.

Topic 12: Behavioral responses to tax incentives - Explaining the (non-)effect on labor supplyDescription:

One of the primary goals declared by the current German government is to ensure that additional work becomes financially rewarding again. To this end, the government plans to introduce tax-free overtime, tax credits for employment beyond retirement age, and an increased tax allowance for commuting expenses. However, it remains unclear whether individuals actually adjust their labor supply in response to tax incentives alone. The (non)response may also be shaped by various other factors, including individual characteristics of workers, knowledge of the tax system or simply how attractive the tax incentive is perceived to be. A broad range of qualitative and quantitative studies has examined the design and effectiveness of labor-related tax incentives in different countries. These studies offer insights into the extent to which such measures succeed in increasing labor supply and the reasons behind their (in)effectiveness. A review of the existing evidence on tax-induced changes in labor supply together with the potential behavioral and contextual influences could help inform more effective policy design.

Further readings:

- Sigaard, H. S., 2023. Estimating labor supply responses to Danish tax reforms. *Journal of Public Economics*, 224, p. 104943.
- Kostøl, A. R., Myhre, A. S., 2021. Labor Supply Responses to Learning the Tax and Benefit Schedule. *The American Economic Review*, 111(11), pp. 3733–3766.
- Tazhitdinova, A., 2020. Do only tax incentives matter? Labor supply and demand responses to an unusually large and salient tax break. *Journal of Public Economics*, 184, p. 104162.
- Chetty, R., Friedman, J. N., Saez, E., 2013. Using Differences in Knowledge across Neighborhoods to Uncover the Impacts of the EITC on Earnings. *American Economic Review*, 103 (7), pp. 2683–2721.

Topic 13: The impact of anti-tax avoidance rules on firm behavior - A critical literature reviewDescription:

It is a well-known fact that companies engage in tax avoidance strategies to reduce their effective tax burden. To curb these profit shifting activities, governments around the world have introduced a range of anti-tax avoidance rules, such as controlled foreign corporation rules, interest limitation provisions, and transfer pricing regulations. However, these rules may influence not only tax avoidance strategies but also broader aspects of firm behavior, such as investment decisions, organizational restructuring, and compliance costs. This seminar thesis aims to critically review the existing literature on the impact of anti-tax avoidance rules on firm behavior, including both their intended effects and possible unintended consequences.

Further readings:

- Bilicka, K., Qi, Y., Xing, J., 2022. Real responses to anti-tax avoidance: Evidence from the UK Worldwide Debt Cap. *Journal of Public Economics* 214, 104742.
- Buettner, T., Overesch, M., Wamser, G., 2018. Anti profit-shifting rules and foreign direct investment. *International Tax and Public Finance* 25, p. 553-580.
- Clifford, S., 2019. Taxing multinationals beyond borders: Financial and locational responses to CFC rules. *Journal of Public Economics* 173, p. 44-71.
- Cowx, M., Kerr, J. N., 2024. The general anti-avoidance rule. *Contemporary Accounting Research* 41(3), p. 1851-1892.
- De Mooij, R., Liu, L., 2020. At a cost: The real effects of transfer pricing regulations. *IMF Economic Review* 68(1), p. 268-306.