



*Welfare implications in a world price fixing tariff tax
reform model*

by N.Huling

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Abstract: The present work examines welfare implications in a world price fixing tariff tax reform model, giving special attention to tax principles comparison. Particularly, it considers destination consumption taxes adjusted to import tariff reductions. In such a case if the reforming country imposes an import tariff, its reduction and an increase in the consumption reduce home welfare without affecting the foreign welfare. The opposite holds if the trade tax is an export tax. Finally, several alternative strategies of tax reforms may be applied leading to revenue neutral results.

Key words: Welfare, Tax reform, Consumption taxes, Revenue results

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