



## Stochastic and Global Optimization

By Dzemyda, G. / Saltenis, V.

Book Condition: New. Publisher/Verlag: Springer, Berlin | 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...



**READ ONLINE**  
[ 1.45 MB ]

### Reviews

*Complete information for publication fans. Better then never, though i am quite late in start reading this one. Its been written in an extremely straightforward way in fact it is just soon after i finished reading this ebook in which basically altered me, change the way i believe.*

-- **Ellie Stark**

*The publication is not difficult in study preferable to fully grasp. It really is rally intriguing through looking at period of time. I found out this pdf from my dad and i advised this ebook to find out.*

-- **Fabiola Hilpert**