As widely expected, the tax reform bill released today by House Republicans provides for a one-time transition tax on untaxed accumulated earnings and profits ("E&P") of certain non-U.S. corporations.

The transition from a command to a market economy requires profound reforms of the tax system. Such a transition will put downward pressures on the level of taxation at a time when public expenditure remains high. This paper outlines the main characteristics of the tax systems in centrally-planned economies.

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