

Acknowledgments

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previous studies¹⁵ show that charities or other NPOs are involved in commercial activities rather than giving public benefit. For example, a museum is a not-for-profit organization to provide educational activities, but its coffee shop is involved in business activities.¹⁶ Therefore, there is an argument on the fairness of providing tax concessions and exemptions for NPOs and charities involved in business activities.¹⁷

This dissertation covers the study of tax expenditures that include tax subsidies and tax concessions in achieving the specified goals effectively based on the analysis of prior literature. The analysis is structured based on the impacts of tax subsidies and tax concessions as a part of government policies in different countries, as mentioned in Table 3 and Table 4. The scope of analysis covers tax subsidies given by the government in the form of tax reforms such as food tax, value-added tax (VAT), and excise tax. In addition, the scope of analysis also covers the tax concessions given to charities and non-profit organizations (NPOs).

1.2 Purpose and Research Questions

This study examines the existing scholarship on tax expenditure, that focuses on tax subsidies to achieve various economic or social goals effectively by reducing the tax burden. This study also investigates the effectiveness of tax concessions given to charities and not-for-profit organizations (NPOs) to fulfill the purpose of public benefit. The following questions have been explored to accomplish the objectives of this study:

RQ1: Are tax subsidies more effective in attaining non-tax or non-revenue objectives than direct regulation or direct subsidy?

RQ2: How could tax concessions effectively achieve the public benefit objective of charities or non-profit organizations (NPOs)?

1.3 Significance of this Study

Tax expenditures promote economic, social, and environmental policy goals, including job creation, innovation, education, reducing inequality, etc.¹⁸ Moreover, tax expenditures strongly impact the government budget. Tax Expenditures are non-transparent and are not

¹⁵ Kerrie Sadiq and Catherine Richardson "Tax concessions for charities: competitive neutrality, the tax base and "public goods" choice" (2011) 25 *Australian Tax Forum* 597 at 599.

¹⁶ Anup Malani and Eric. A. Posner "The Case for For-Profit Charities" (2006) *Virginia Law Review* 1 at 1.

¹⁷ Above n 16.

¹⁸ Agustin Redonda, *Tax Expenditures and Sustainability. An Overview* (Council on Economic Policies, Discussion Note 2016/3, November 2016) at 2.

Tax Expenditures (TEs) can be classified according to different categories, and each category has specific criteria, as shown in Table 1 (Appendices).³³ However, in terms of the New Zealand context, there are three types of tax expenditures: social tax expenditures, business tax expenditures; and others.³⁴ Social tax expenditures are the tax expenditures that establish the purpose of achieving social policy objectives, for instance, bodies promoting amateur games and sports, interest on home vendor mortgages, scholarships at an educational institution for attendance, etc. Business tax expenditures are the tax expenditures that gives business incentives to meet economic policy objectives, for example, bodies promoting scientific or industrial research, film industry expenditure, etc. And others tax expenditures include, such as tax exemption for the allowances of the Governor-General.

Tax Expenditures have three types of impacts: historical impact, permanent impact, and timing impact.³⁵ Historical impact means tax expenditures that don't have new claims, but past policies of those tax expenditures affect tax revenue, for instance, accelerated depreciation, forestry encouragement grant, etc. Permanent impact means tax expenditures that increase or decrease the amount of tax payable, for example, farming industry expenditure, etc. Timing impact means tax expenditures that recognize income or deductions by reversing them in following years, such as film industry expenditure deduction.

Tax expenditures (TEs) have some limitations. Tax expenditures lower public resources needed to reach goals and point to the undesirable distributional and environmental side effects that create a lack of transparency.³⁶ They add complexity which can enhance administrative and compliance costs.

Tax Expenditures (TEs) also include tax subsidies that change the tax system by giving preferential treatment to certain goods and services. Tax subsidies are state aid³⁷ granted to reduce the public law burden on companies or individuals.³⁸ It is a benefit given to an entity or industry that results from the law or it is a decision of authorized bodies.³⁹

³³ Agustin Redonda, *Tax Expenditures and Sustainability. An Overview* (Council on Economic Policies, Discussion Note 2016/3, November 2016) at 6.

³⁴ Above n 33.

³⁵ Above n 34.

³⁶ Agustin Redonda, *Tax Expenditures and Sustainability. An Overview* (Council on Economic Policies, Discussion Note 2016/3, November 2016) at 3.

³⁷ State aid means granting a financial advantage to an enterprise or group of enterprises, accompanied by the creation of a financial burden on public finances.

³⁸ Edyta Jozwiak 'Tax Subsidies for Entrepreneurs in case of property tax' (2020) 19 *ACTA Scientiarum Pollonorum* 161 at 165.

³⁹ Above n 36.

not for -profit organizations can claim GST input tax deduction, meaning a non-profit organization can buy goods and services without any GST. Therefore, not for-profit-organizations can claim GST refunds. Lastly, not-for-profit organizations' sales of donated goods and services are exempt from GST.⁴⁸

2.1 The Notion of Public Benefit:

A charitable organization must be established for not-for-profit, and its purpose is for the public benefit. An organization is not charitable if it gives benefit to a narrow section of the community, for example, self-help groups or membership-based groups, or if it gives no benefit at all, for example, contemplative religious orders.⁴⁹

The concept of public benefit indicates that for an organization to be charitable, it must not merely fall within the four divisions discussed by Lord Macnaghten in *Commissioners for Special Purposes of Income Tax v Pemsel* in 1891.⁵⁰ However, it must also be founded for the community's advantage rather than individuals. The exception is that charities for poverty relief do not require a public benefit test.⁵¹ This requirement was applied to relieve poverty in *Waterson and others v Hendon Borough Council*⁵² in 1959, to ascertain the validity of a gift for the charitable purpose in *Verge v Somerville*⁵³ in 1924, and for the observance of religious services in *Yeap Cheah New and Others v Ong Cheng Neo*⁵⁴ in 1875. This concept is also known as public benefit theory.⁵⁵

Public benefit means the actual or tangible benefit of an organization's objectives. The public benefit must be real or substantial and can extend beyond material benefits to social, mental, and spiritual benefits. An organization is not for the benefit of the public if its objectives are opposed to public policy, unlawful, or for a lawful purpose to be carried out by unlawful means, they give benefit to a narrow section of the community or they give no benefit to the

⁴⁸ Jonathan Barrett and Johan Veal 'Charities' Tax Privileges in New Zealand: A Critical Analysis' (2012) 7 *Journal of the Australasian Tax Teachers Association* 1 at 8.

⁴⁹ Ann O'Connell 'The tax position of charities in Australia – why does it have to be so complicated?' (2008) 37 *Australian Tax Review* 17 at 18.

⁵⁰ The four divisions discussed by Lord Macnaghten in Pemsel's case include: the relief of poverty, the advancement of education, the advancement of religion, or other purposes beneficial to the community.

⁵¹ Fiona Martin 'Charities for the Benefit of Employees: Why trusts for the Benefit of Employees Fail the Public Benefit Test' (2007) 5 *eJournal of Tax Research* 59 at 63.

⁵² Above n 51, at 63.

⁵³ Above n 52, at 63.

⁵⁴ Above n 53, at 63.

⁵⁵ Lori A. McMillan 'Noncharitable Nonprofit Organizations and Tax Policy: Working Toward a Public Benefit Theory' (2020) 59 *Washburn Law Journal* 301 at 320.

Chapter- 3: Methodology

3.1: Research Method:

This study applies the systematic literature review methodology⁶³ because it gives an in-depth understanding of conventional literature and the problems that have been examined related to tax expenditures. The aspects covered in the literature review are a synthesis of the findings of prior studies. A systematic literature review is an evidence-based approach that identifies, appraises, and synthesizes existing evidence that fulfills pre-set criteria to answer the research questions. ⁶⁴ Systematic reviews differ from traditional narrative reviews by following a replicable, scientific, and transparent procedure that is a comprehensive technology that aims to minimize bias through exhaustive literature searches of published and unpublished studies and by providing an audit trail of the reviewers, decisions, procedures, and conclusions. ⁶⁵

The systematic literature review method doesn't require ethics approval from the Auckland University of Technology Ethics Committee (AUTEC) because this study involves data collection from secondary sources, for example, journal articles, working papers, websites, parliamentary and government materials, case laws, etc. It doesn't include the primary data collection, for example, interviews and surveys. In addition, this method is best suited because of time and financial budget limitations.

3.2: Research Process:

Figure 1 provides an outline of the research process adopted for this study. The first step considered research objectives and questions to build a base in the subject area. In the next step, a keyword search was conducted in Google Scholar to identify the relevant literature. The Google Scholar database was used because it is particular to find the required information related to the research topic using its 'advance search' features. The keywords have been selected by focusing on the relevant terms included in the research purpose. The literature was searched with the keywords: 'tax expenditures', 'tax subsidies', 'non-tax objectives', 'tax concessions', and 'public benefit'. The literature has been selected based on the 'references related to the research area in each journal article', 'in the title of the article', and 'anywhere

⁶³ David Tranfield and others "Towards a methodology for Developing Evidence-Informed Management Knowledge by Means of Systematic Review" (2003) 14 *British Journal of Management* 207 at 214.

Maria J. Grant and Andrew Booth "A typology of reviews: an analysis of 14 review types and associated methodologies" (2009) 26 *Health Information and Libraries Journal* 91 at 102.

⁶⁴ Above n 63.

⁶⁵ Above n 64.

in the article''. In total, there are 48 research papers, including journal articles and working papers reviewed, that include qualitative, quantitative, and mixed studies. From these 48 research papers, 14 research papers have been used to explain the key concepts in chapter 2, 25 research papers have been used to address the research questions and remaining 9 research papers have been excluded because they are not particular to the research questions. The scope of this study is limited to English sources that were publicly accessible on websites. Finally, the collected data have been organized into annotated bibliographies⁶⁶ to extract the following information: author, publication date, study purpose, research methodology, data collection, data analysis, key findings, implications, limitations, etc. Through this research process, it was ascertained that the selected studies were appropriate and enough to answer the research questions. The whole research process is shown in the flow chart given below:

⁶⁶ In general terms, annotated bibliographies are the summary of key or bullet points of each research paper.

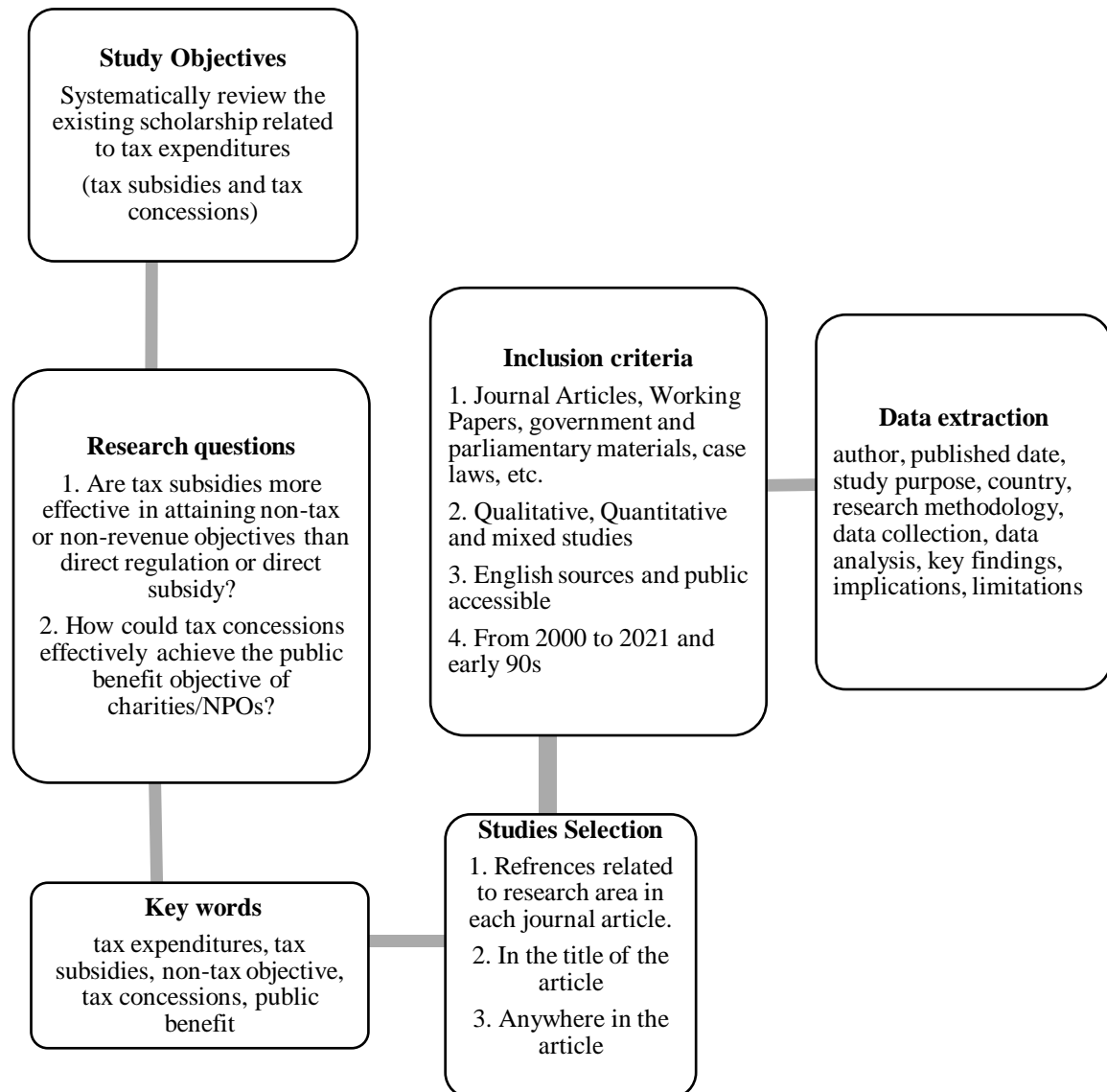


Figure 1: Research Process

Chapter- 4: Findings

4.1: Article Peculiarities:

This section gives information about sample journal articles, as shown in Table 2 (Appendices). The articles were published in 18 different journals that can be divided into 13 fields: social science and medicine (1), public health (2), medicine (1), science and medicine (1), food policy (1), land administration (1), sustainability (1), public policy (1), epidemiology (1), nutrition science (1), charities (4), Non-profit organizations (1), tax concessions (1).

In addition, five working papers have been reviewed and analyzed. These working papers were published in 2000, 2005, 2006, 2014, and 2013. Two of these five working papers focus on tax subsidies for charitable giving and low-income families. Three working papers focus on tax concessions for charities and non-profit organizations (NPOs).

4.2: Conventional Literature on Tax Subsidies:

As per Table 3 (Appendices), two previous studies⁶⁷ have examined the effects of food taxes and subsidy reforms⁶⁸ to prevent or postpone mortality in Sweden and improve the diet and health of Swedish people. Sanjib Saha et al. have used two simulation models to estimate the effect of taxes and subsidy reforms on cardiovascular diseases and diet-related cancer deaths.⁶⁹ They used the PRIME model to estimate the changes in mortality and the Monte Carlo method to conduct uncertainty analysis.⁷⁰

⁶⁷ Sanjib Saha and others “In search of an appropriate mix of taxes and subsidies on nutrients and food: A modeling study of the effectiveness on health-related consumption and mortality” [2021] *Social Science & Medicine* 1 at 2.

Jonas Nordstrom and Linda Thunstrom “Can targeted food taxes and subsidies improve the diet? Distributional effects among income groups” (2011) 36 *Food Policy* 259 at 259.

⁶⁸ Food taxes and subsidies include economic and food policy reforms related to Sweden's value-added tax (VAT) and excise duty. Sanjib Saha et al. have compared the impact on public health measures from a tax on over-consumed food, for example, food with more salt or saturated fat, to a reform that consists of tax and subsidy on under-consumed food, for example, fruit and vegetables. In addition, VAT reforms consist of subsidies of healthy products (products labeled with the Swedish National Food Administration’s healthy symbol) funded by increased VAT on ‘less healthy products. Excise duty reforms consist of a subsidy of fiber content, funded by excise duties on added sugar or saturated fat.

⁶⁹ Above n 67.

⁷⁰ Above n 69.

In two previous studies⁷¹ Tony Blakely et al. and Cliona Ni Mhurchu et al. have examined the effects of food taxes and subsidies⁷² to estimate health and cost impacts on the quantities of nutrients and food groups purchased and evaluate associated changes in health system expenditure and health gain and prevent or postpone deaths from diet-related in New Zealand. Tony Blakely et al. have modeled the effect of price changes on food purchases, fruits and vegetables, sugar-sweetened beverage, nutrient risk factors, and body-mass index, and their effect on health status⁷³ and health expenditure.⁷⁴ On the other hand, Cliona Ni Mhurchu et al. used a macrosimulation model based on household expenditure data, demand elasticities, and population impact fractions for 18 diet-related conditions to estimate the effects of five tax and subsidy regimens⁷⁵. They have used price elasticity values for 24 major commonly consumed food groups and food expenditure data from Household Economic Surveys (HES).

Edyta Jozwiak has identified the possibilities and forms of state aid⁷⁶ available to a trader to optimize the property tax rate by focusing on regulations concerning allowances, exemptions, and provisions of property tax law in Poland.⁷⁷ In addition, Katarzyna Kopec has looked at the relationship between the reduced value-added tax (VAT) rate on books and readership level as a cultural policy goal in Poland by exploring the unifying framework of a three-staged⁷⁸ correlation pattern between the reduced VAT rate and the level of readership.⁷⁹

⁷¹ Tony Blakely and others "The effect of food taxes and subsidies on population health and health costs: a modeling study" [2020] *Lancet Public Health* 404 at 405.

Cliona Ni Mhurchu and others "Effects of Health-Related Food Taxes and Subsidies on Mortality from Diet-Related Disease in New Zealand: An Econometric-Epidemiologic Modelling Study" (2015) 10 *PLOS ONE* 1 at 2.

⁷² Food taxes and subsidy policies include a fruit and vegetable subsidy of 20%, a saturated fat tax, a sugar tax, a salt tax, and a junk food tax of 8%.

⁷³ Health status is expressed as health-adjusted life years (HALYs). Toney Blakely et al. have used Monte Carlo simulation to estimate uncertainty in HALYs outputs by doing ransom probability distributions.

⁷⁴ Above n 71.

⁷⁵ Five tax and subsidy regimens include a saturated food tax, excess salt tax, sugar-sweetened beverage tax, fruit and vegetable subsidy, and a sugar tax.

⁷⁶ State aid can be granted through active support instruments such as grants, interest rate subsidies on bank loans, refunds, soft loans, loan guarantees, tax exemptions, and tax subsidies.

⁷⁷ Edyta Jozwiak "Tax subsidies for entrepreneurs in case of property tax" [2020] 19 *ACTA Scientiarium Polonoicum* 161 at 163.

⁷⁸ Three-staged framework includes a reduced VAT rate resulting in the fall in book prices, lower book prices enhancing the demand for books, and higher consumption of books reflecting higher readership.

⁷⁹ Katarzyna Kopec "Reduced Value Added Tax (VAT) Rate on Books as a Tool of Indirect Public Funding in the Cultural Sector" (2020) 12 *Sustainability* 1 at 2.

Linda J. Cobiac et al. have evaluated a range of food and drink taxes and subsidies⁸⁰ to determine an optimal cost-effective package of tax and subsidy options in Australia.⁸¹ Authors have used a population model of dietary-related diseases, healthcare costs, and food price elasticities to stimulate the effect of policies over the lifetime of the Australian population.⁸² They have evaluated the cost-effectiveness of 31 combinations of five tax and subsidy options⁸³ and explored demand and supply side responses to impose food taxes and subsidies in scenario analysis.⁸⁴

Geir Waehler Gustavsen and Kyrre Rickertsen have investigated the effects of an increased value-added tax (VAT) on some unhealthy foods and the removal of the VAT on some healthy food in Norway by focusing on purchases of healthy and unhealthy foods among low, medium, and high purchasing households.⁸⁵

Nadia A. Streletskaia et al. have examined the impact of unhealthy foods taxes, healthy foods subsidies, anti-obesity advertising, and healthy foods to change consumers' food choices and reduce intake of concerned nutrients by conducting a lab experiment with 258 adult non-student participants in New York, USA by using a difference-in-difference regression model to determine the results of policy treatments.⁸⁶ On the other hand, Baris. K. Yoruk has investigated the effects of tax subsidies for charitable giving on health outcomes⁸⁷ by using data from the philanthropy module of the Panel Study Income Dynamics (PSID) in the USA.⁸⁸

Laura Ines Gonzalez-Zapata et al. have explored the stakeholders' opinions on introducing taxation for obesity-promoting food and subsidies for healthy food to prevent obesity in

⁸⁰ Food and beverage taxes and subsidies include a saturated food tax, excess salt tax, sugar-sweetened beverage tax, fruit and vegetable subsidy, and a sugar tax.

⁸¹ Linda J. Cobiac and others "Taxes and Subsidies for Improving Diet and Population Health in Australia: A Cost-Effectiveness Modeling Study" (2017) 14 *PLOS Medicine* 1 at 4.

⁸² Above n 81.

⁸³ Above n 82.

⁸⁴ Above n 83.

⁸⁵ Geir Waehler Gustavsen and Kyrre Rickertsen "Adjusting VAT rates to promote healthier diets in Norway: A censored quantile regression approach" (2013) 42 *Food Policy* 88 at 89.

⁸⁶ Nadia A. Streletskaia and others "Tax, Subsidies, and Advertising Efficacy in Changing Eating Behavior: An Experimental Study" (2014) 36 *Applied Economic Perspective and Policy* 146 at 147. Policy treatments include a 20% unhealthy foods excise tax, a 20% healthy foods excise subsidy, anti-obesity advertising, healthy (fruits and vegetables) advertising, and a 20% healthy food excise tax with anti-obesity advertising.

⁸⁷ Health-related outcomes include stroke, high blood pressure, diabetes, cancer, lung disease, heart attack, heart disease, emotional problems, arthritis, asthma, and obesity.

⁸⁸ Baris. K. Yoruk "Does giving to charities lead to better health? Evidence from Tax Subsidies for Charitable Giving" (Centre of Economic Studies and Ifo Institute, Working Paper 4853, June 2014) at 2. The philanthropy module of the Panel Study of Income Dynamics (PSID) is a household-level survey that contains detailed information on charitable giving and several health outcomes for the household head.

Europe.⁸⁹ They have conducted structured interviews with multicriteria mapping to assess 20 predefined policy options to reduce obesity, including ‘taxing obesity-promoting foods’ and ‘subsidizing healthy food.’⁹⁰ On the other hand, Kelechi E Nnoaham examined the effects of targeted food taxes and subsidies on nutrition, health, and expenditure by income groups to support national health objectives in the United Kingdom (UK).⁹¹ They have constructed a spreadsheet-based model based on consumption data and demand elasticity to predict the effects of four food taxation subsidy regimens.⁹²

Lastly, Leonard E. Burman et al. have considered options to reform the Child and Dependent Care Tax Credit (CDCTC) to increase its value to low-income families. They have also examined expansions to the refundable tax credits that help families with children.⁹³

4.3: Conventional Literature on Tax Concessions:

Jonathan Barret and John Veal have analysed the tax privileges⁹⁴ extended to charities by considering the principal issues that arose from charities and donors’ tax privileges and outlined the common law conception of charity and tax concessions in New Zealand.⁹⁵

Yige Zu has examined VAT concessions intending to develop a new mode of analysis that could be used as a reform tool by applying tax expenditure analysis, recognizing the cost of these concessions as applied revenue rather than lost revenue.⁹⁶ Furthermore, Jonathan Barret and John Veal have discussed tax concessions available to third-sector enterprises by considering the radical proposition that tax concessions should be based on institutional function rather than institutional status.⁹⁷

⁸⁹ Laura Ines Gonzalez-Zapata and others ‘‘The potential role of taxes and subsidies on food in the prevention of obesity in Europe’’ (2010) 64 *Journal of Epidemiology and Community Health* 696 at 697.

⁹⁰ Above n 89.

⁹¹ Kelechi E Nnoaham and others ‘‘Modeling income group differences in the health and economic impacts of targeted food taxes and subsidies’’ (2009) 38 *International Journal of Epidemiology* 1324 at 1325.

⁹² Food taxation subsidy regimens include 1). Saturated fats scenario: taxing foods that are the significant sources of saturated fat in the diet. 2). Less-healthy food scenario defined by the nutrient profiling model. 3). Tax plus 17.5% subsidy scenario: taxing foods are defined as ‘less healthy’ by the nutrient profiling model and subsidizing fruit and vegetables. 4). Tax plus more subsidy scenario: taxing foods defined as ‘less healthy’ by the nutrient profiling model and subsidizing fruit and vegetables to neutralize tax revenue.

⁹³ Leonard E. Burman and others ‘‘Tax Subsidies to Help Low-Income Families Pay for Child Care’’ (The Urban Brookings Tax Policy Centre, Discussion Note No. 23, June 2005) at 1.

⁹⁴ Tax privileges include charity exemptions and taxpayers’ concessions related to Income Tax, privileges related to taxes on capital transfers, local property rates, and Goods and Services Tax (GST).

⁹⁵ Jonathan Barret and John Veal ‘‘Charities’ Tax Privileges in New Zealand: A Critical Analysis’’ (2021) 7 *Journal of the Australasian Tax Teachers Association* 1 at 3.

⁹⁶ Yige Zu ‘‘Reforming VAT Concessions: A Tax Expenditure Analysis’’ (2017) 4 *British Tax Review* 418 at 420.

⁹⁷ Jonathan Barret and John Veal ‘‘Third Sector Enterprise: Some Tax Policy Considerations’’ (2013) at 3.

Moreover, Yat To Lee has discussed the existing tax concessions and recent and proposed reforms related to charities and non-profit organizations (NPOs).⁹⁸ Tax concessions include income tax exemption, deductible gift recipient (DGR) status, fringe benefit tax exemption, FBT rebate, goods and services tax exemption, and rebate, and concessions for state and territory taxes and duties, land rates, and water rates.⁹⁹ Proposed reforms include private and public ancillary funds, taxing NFPs for conducting unrelated commercial activities, the Australian Charities and Not-for-profit Commission, the statutory definition of charity, restating and standardizing the special conditions for tax concessions entities, charitable fundraising regulation reform, and a review of companies limited by guarantee.¹⁰⁰

Kerrie Sadiq and Catherine Richardson have argued concerns about the integrity and fairness of the taxation regime where charitable organizations that avail tax exemptions while undertaking commercial activities, compete directly with the for-profit sector in Australia.¹⁰¹ They have considered the appropriateness of the tax concessions granted to charitable organizations related to income derived from commercial activities.¹⁰² For example, Sanitarium Health Food Company, owned by Seventh Day Adventist Church, has annual revenue of \$300 million (approximately) and twenty-five percent (approximately) of share in the breakfast cereal market, competes directly with for-profit organizations such as Hubbard's and Kellogg's, have all the tax concessions related to Income Tax, GST, and FBT.¹⁰³ On the other hand, Hubbard's and Kellogg's don't establish charitable organizations even though they provide public benefit through childhood well-being programs, sustainable development programs, etc.¹⁰⁴

Audrey Sharp and Fiona Martin considered the application of the common law definition of charity to entities established to benefit Australian indigenous people and whether it creates a problem in Australia by analysing the development of the 'public benefit' restriction on

⁹⁸ Yat To Lee 'Charities and NFPs: Tax Concessions and Reforms' (2012) 47 *Taxation in Australia* 217 at 217.

⁹⁹ Above n 98.

¹⁰⁰ Above n 99.

¹⁰¹ Kerrie Sadiq and Catherine Richardson 'Tax concessions for charities: competitive neutrality, tax base and 'public goods choice' (2010) 25 *Australian Tax Forum* 113 at 113.

¹⁰² Above n 101. The article also considers the more recent and less well-developed argument that charities are 'rotting the system' and that the federal government support offered through the taxation regime is being abused.

¹⁰³ Above n 101.

¹⁰⁴ Above n 103.

charities.¹⁰⁵ They have also compared the Australian ‘public benefit’ analysis with New Zealand, where several legislative changes, including amendments to the New Zealand Income Tax Act, have been introduced to benefit Māori charities.¹⁰⁶

Ann O’Connell has highlighted the complexity and examined easier ways to provide concessions to charities in Australia based on the experience of other jurisdictions such as the UK, Canada, and NZ.¹⁰⁷ On the other hand, Greg Smith has compared taxation arrangements with other countries such as the UK, the US, and Canada to investigate Australia’s international competitiveness to give tax concessions in support of charitable giving.¹⁰⁸

Lastly, Anup Malani and Eric A. Posner have debated whether NFP firms should be taxed like FP firms when NFP firms engage in commercial activities because the public theory, agency theory, and altruistic theory don’t justify the connection between NFP status and tax subsidization.¹⁰⁹

¹⁰⁵ Audrey Sharp and Fiona Martin ‘Charitable purpose and the need for a public benefit: A comparison of the tax treatment of Australian and New Zealand charities for indigenous peoples’ (2009) 24 *Australian Tax Forum* 207 at 209.

¹⁰⁶ Above n 105.

¹⁰⁷ Ann O’Connell ‘The tax position of charities in Australia – Why does it have to be so complicated?’ (2008) 37 *Australian Tax Review* 17 at 17.

¹⁰⁸ Greg Smith ‘*Tax Concessions in Support of Charitable Giving: An International Comparison*’ (Queensland University of Technology, Brisbane, Working Paper No PONC85, 2000) at 3.

¹⁰⁹ Anup Malani and Eric A. Posner ‘*The Case for For-Profit Charities*’ (The Law School, The University of Chicago, Working Paper No 304, September 2006) at 2.

Chapter 5: Discussion

5.1: Outcomes of Conventional Literature on Tax Subsidies:

Taxes and subsidy reforms on food and nutrients improve dietary habits and reduce the mortality of the Swedish people.¹¹⁰ However, the effect of these reforms on different socio-economic classes that provides cost-effectiveness needs to be established before implementation. The combination of taxes and subsidy reforms reduces the overall intake of over-consumed food (saturated fat and salt) and increases the intake of under-consumed food (fruits and vegetables).¹¹¹ This implies that imposing different VAT rates increases the costs for public authorities, food producers, and retailers. It is also possible that the pass-through of taxes and subsidies might not be complete.¹¹²

Food taxes and subsidy policies on the quantities of nutrients and food groups purchased have a broad and positive health impact and health gains in New Zealand; however, the enormous magnitude of the health gains and cost savings suggests that the use of taxes and subsidies warrants serious policy considerations.¹¹³

Allowances, exemptions, provisions, and subsidies related to property tax allow entrepreneurs to influence external investors, stimulate entrepreneurship, and solve problems in the labor market in Poland.¹¹⁴ Therefore, it is crucial to have a good property tax policy. It can be considered that a more transparent tax system benefits entrepreneurs through lower property tax rates; it would favor the economy and the state budget.

Value-added tax (VAT) reduction decreases the book prices in Poland, which leads to more significant investments or profits by publishers and sellers in the book's variety and quality; however, there is no firm evidence of the increase in book consumption or demand.¹¹⁵

¹¹⁰ Sanjib Saha and others "In search of an appropriate mix of taxes and subsidies on nutrients and food: A modeling study of the effectiveness on health-related consumption and mortality" [2021] *Social Science & Medicine* 1 at 6.

¹¹¹ The effectiveness of a salt tax is more in New Zealand than in Sweden, and the effectiveness of subsidies on fruits and vegetables is higher in Sweden than in New Zealand in terms of mortality prevention percentage.

¹¹² Above n 110.

¹¹³ Tony Blakely and others "The effect of food taxes and subsidies on population health and health costs: a modeling study" [2020] *Lancet Public Health* 404 at 407.

¹¹⁴ Edyta Jozwiak "Tax subsidies for entrepreneurs in case of property tax" [2020] 19 *ACTA Scientiarum Polonoicum* 161 at 169.

¹¹⁵ Katarzyna Kopec "Reduced Value Added Tax (VAT) Rate on Books as a Tool of Indirect Public Funding in the Cultural Sector" (2020) 12 *Sustainability* 1 at 7.

Taxes and subsidies on foods and beverages can be combined to achieve improvements in health and savings to the health sector in Australia.¹¹⁶ The highest monetary or cost savings benefit can be achieved by executing the sugar tax, followed by the salt tax, saturated fat tax, sugar-sweetened beverage tax, and fruit and vegetable subsidy.¹¹⁷ In addition, taxes on unhealthy foods, subsidies on healthy foods, and a combination of taxes and subsidies could prevent or postpone deaths in New Zealand.¹¹⁸ Food taxes and subsidies are highly cost-effective than other strategies to prevent obesity and diet-related disease. Targeted food pricing policies could be a practical component of different strategies to tackle New Zealand's high diet-related disease burden; however, there is still much work to be done to improve health impact estimation.

An increase in value-added tax (VAT) is more effective in reducing unhealthy food procurement among high-purchasing households compared to VAT removal in enhancing healthy food procurement among low-purchasing households in Norway.¹¹⁹ Subsidies have merely resulted in minor increases in healthy food procurement among low-purchasing households; therefore, subsidies are less targeted.

Unhealthy food tax, healthy food advertising, and unhealthy food tax combined with anti-obesity advertising significantly reduced some concerning nutrient content.¹²⁰ The combination of healthy foods subsidy and healthy food advertising has little effect on nutrient consumption, and anti-obesity advertising is ineffective at changing dietary behavior.

Tax subsidies for charitable giving have positive spillover effects on health and reduce the probability of several health problems; however, these effects are not statistically significant.¹²¹

¹¹⁶ Linda J. Cobiac and others "Taxes and Subsidies for Improving Diet and Population Health in Australia: A Cost-Effectiveness Modeling Study" (2017) 14 *PLOS Medicine* 1 at 7.

¹¹⁷ Fruit and vegetable subsidies dominate when implemented independently and are cost-effective when added to the combination of taxes.

¹¹⁸ Cliona Ni Mhurchu and others "Effects of Health-Related Food Taxes and Subsidies on Mortality from Diet-Related Disease in New Zealand: An Econometric-Epidemiologic Modelling Study" (2015) 10 *PLOS ONE* 1 at 6.

¹¹⁹ Geir Waehler Gustavsen and Kyrre Rickertsen "Adjusting VAT rates to promote healthier diets in Norway: A censored quantile regression approach" (2013) 42 *Food Policy* 88 at 94.

¹²⁰ Nadia A. Streletskaya and others "Tax, Subsidies, and Advertising Efficacy in Changing Eating Behavior: An Experimental Study" (2014) 36 *Applied Economic Perspective and Policy* 146 at 148. Concerned nutrients include fat, carbohydrates, and cholesterol in meal selections.

¹²¹ Baris. K. Yoruk "Does giving to charities lead to better health? Evidence from Tax Subsidies for Charitable Giving" (Centre of Economic Studies and Ifo Institute, Working Paper 4853, June 2014) at 16. Health problems include diabetes, cancer, heart attack, emotional and psychological problems, and obesity.

This finding is robust to the endogeneity of income and highlights the positive externalities created by tax subsidies for charitable giving.

Value-added tax (VAT) and excise tax reforms aimed at redirecting grain consumption to healthier levels are progressive among households.¹²² Lower-income households' tax payments and price levels on grain products will be reduced under the reforms. On the other hand, higher-income households will pay more taxes, and the price level of grain products will remain unchanged or increase.

Taxation and subsidies were not favorably received in Europe because they were considered difficult to implement compared to the other 18 core and discretionary options appraised.¹²³ Imposing food taxes has traditionally been unpopular among the European population and unacceptable. The implementation of taxation on the food category, food groups, or public policy mechanism for controlling calorie consumption is not viewed as a priority and is ineffective for dealing with the obesity epidemic.

Lastly, the study has modeled the health outcomes of food tax and subsidies in the United Kingdom (UK) and shown that an unhealthy food tax combined with an appropriate amount of fruit and vegetable subsidies could lead to significant health gains.¹²⁴

5.2: Summary:

Tax subsidies significantly reduce the tax burden and achieve social or economic goals, as shown in Table 4 (Appendices). However, some objectives are not effectively achieved by tax subsidies because the implementation of a tax subsidy and the probability of deferring tax payment merely takes place in justified cases, for example, the continued existence of entrepreneurship.¹²⁵ Moreover, tax subsidies, for example, VAT reforms can't decide the reading popularity in any country.¹²⁶ Reading habits are affected by the reading culture of a country, the socio-economic status of citizens, and reading habits learned at home.¹²⁷ There

¹²² Jonas Nordstrom and Linda Thunstrom "Can targeted food taxes and subsidies improve the diet? Distributional effects among income groups" (2011) 36 *Food Policy* 259 at 259.

¹²³ Laura Ines Gonzalez-Zapata and others "The potential role of taxes and subsidies on food in the prevention of obesity in Europe" (2010) 64 *Journal of Epidemiology and Community Health* 696 at 701.

¹²⁴ Kelechi E Nnoaham and others "Modeling income group differences in the health and economic impacts of targeted food taxes and subsidies" (2009) 38 *International Journal of Epidemiology* 1324 at 1330.

¹²⁵ Edyta Jozwiak "Tax subsidies for entrepreneurs in case of property tax" [2020] 19 *ACTA Scientiarum Polonoicum* 161 at 169.

¹²⁶ Katarzyna Kopec "Reduced Value Added Tax (VAT) Rate on Books as a Tool of Indirect Public Funding in the Cultural Sector" (2020) 12 *Sustainability* 1 at 14.

¹²⁷ Above n 126.

are minor changes in healthy food procurement among low-income households due to tax subsidies compared to tax increases on unhealthy food to reduce obesity.¹²⁸ In addition, previous studies discussed in this research don't provide evidence of an effective achievement of tax expenditures non-revenue objective through direct regulation or direct subsidy compared to tax subsidy.

This research discusses tax expenditures incurred in European, North American, and Oceania countries that show no evidence related to tax subsidies to optimize the property tax rate in Poland, enhance the readership level in Poland, promote healthier diets in Norway, and introduce taxation on obesity and encouraging healthier grain consumption across income groups in Europe. Moreover, to prevent obesity in Europe, some stakeholders favor tax subsidies, for example, nutritional or obesity advisors and public sector caterers.¹²⁹ Some stakeholders are in favor of food tax such as public health professionals and large commercial retailers.¹³⁰

5.3: Outcomes of Conventional Literature on Tax Concessions:

The main issues that arose from charities and donor tax privileges include the role of charities as a quasi-government agency, advocacy for the disempowered, problem of income measurement, compensation for inability to raise capital, responsiveness and effectiveness, incentives, donation as consumption, administrative efficiency, and policy justification.¹³¹ This implies that greater transparency is needed in this sector and regulating, and taxing charities may be optimal in New Zealand. However, it is impossible to know whether charities perform activities for public benefit and which contemporary society is subsidized because of the non-transparency that puzzles the analysis of the sector. In addition, the two pillars of a good tax policy: efficiency and neutrality, remain unexamined concerning charitable concessions. Therefore, charitable tax policy is not well-informed.

VAT concessions frequently function as unfair and inefficient spending programs to achieve equity, social, and economic outcomes that generate legal and economic distortions in the tax

¹²⁸ Geir Waehler Gustavsen and Kyrre Rickertsen "Adjusting VAT rates to promote healthier diets in Norway: A censored quantile regression approach" (2013) 42 *Food Policy* 88 at 94.

¹²⁹ Nadia A. Streletskaya and others "Tax, Subsidies, and Advertising Efficacy in Changing Eating Behavior: An Experimental Study" (2014) 36 *Applied Economic Perspective and Policy* 146 at 148.

¹³⁰ Above n 129.

¹³¹ Jonathan Barret and John Veal "Charities' Tax Privileges in New Zealand: A Critical Analysis" (2021) 7 *Journal of the Australasian Tax Teachers Association* 1 at 8.

system.¹³² This implies that they should be replaced with fairer and more efficient targeted alternative instruments including improved policy and legislative design techniques. The VAT tax expenditure ratio (VTER) approach can provide a rigorous analysis of VAT concessions by measuring the cost of each concession and treating it as an expenditure made from total potential VAT revenue. However, tax expenditures analysis suggests that tax concessions are not the best way to tackle the regressivity of consumption tax because VAT is merely one element in a broad tax system and its impact must be considered in terms of the overall progress of the whole tax system.¹³³

The New Zealand legislation extends the meaning of charitable purpose for Māori organizations and attempts to limit the “public benefit” requirement.¹³⁴ Entities established for the benefit of indigenous people must be for the public benefit in Australia and New Zealand. In Australia, an organization can’t attain charitable status if the beneficiaries are linked through a personal relationship, for example, family, that contrast with New Zealand.

Australian tax concessions for charities should be simplified because as compared to other jurisdictions: the United Kingdom, Canada, and New Zealand, the Australian tax treatment of concessions for charitable entities are much more complex because it reflects a specific policy decision to limit the relief available in a specific way.¹³⁵

In Australia, standards need to be developed to support the effectiveness of charitable giving toward the organization’s objectives and to increase the level of public confidence.¹³⁶ Government should take responsibility for the regulation, supported by sector inputs and the accounting profession.

Non-profit organizations (NPOs) who are engaged in commercial activities should be taxed like for-profit organizations because there is no reason to condition the tax subsidies based on

¹³² Yige Zu “Reforming VAT Concessions: A Tax Expenditure Analysis” (2017) 4 *British Tax Review* 418 at 420.

¹³³ Yige Zu “Reforming VAT Concessions: A Tax Expenditure Analysis” (2017) 4 *British Tax Review* 418 at 420.

¹³⁴ Audrey Sharp and Fiona Martin “Charitable purpose and the need for a public benefit: A comparison of the tax treatment of Australian and New Zealand charities for indigenous peoples” (2009) 24 *Australian Tax Forum* 207 at 232.

¹³⁵ Ann O’Connell “The tax position of charities in Australia – Why does it have to be so complicated?” (2008) 37 *Australian Tax Review* 17 at 36.

¹³⁶ Greg Smith “*Tax Concessions in Support of Charitable Giving: An International Comparison*” (Queensland University of Technology, Brisbane, Working Paper No PONC85, 2000) at 20.

organizational form and if the government is providing tax subsidies for charitable activities, then it should be available to for-profit organizations as well as non-profit organizations.¹³⁷

5.4: Summary:

Tax concessions can effectively achieve the public benefit objective of charities or non-profit organizations (NPOs) if an organization and its beneficiaries are not linked to a personal relationship, for example, Māori organizations set up to benefit their native people. A charitable organization should give wider benefits to all the communities rather than give benefits to a particular community.

The social goals recorded in the statute were specific to a particular time and space. The principles approach established in *Pemsel* belongs to an earlier period; therefore, each generation must deliberate and construct its version of the preamble. Jonathan Barret and John Veal (2013) have argued that a teleological approach¹³⁸ should be adopted to award tax privileges to achieve specified goals such as public benefit.

There should be some limitations imposed on the tax concessions given to non-profit organizations (NPOs) involved in business activities to achieve the objective of public benefit because getting advances and receiving tax concessions compared to for-profit organizations in the same industry might cause issues on unfair competition and lack of competitive neutrality.¹³⁹

There is no need to have a statutory definition of a charity to achieve the policy objectives such as public benefit in a more simplified manner.¹⁴⁰ As per *Charities Bill 2003*, the Australian government proposed the statutory definition of a charity that consists of broad elements however, there are some issues such as replacing charitable purpose with the dominant purpose of an organization, clarifying the meaning of “public” or a sufficient section of the community, etc.¹⁴¹

¹³⁷ Anup Malani and Eric A. Posner ‘*The Case for For-Profit Charities*’ (The Law School, The University of Chicago, Working Paper No 304, September 2006) at 21.

¹³⁸ The teleological approach states that *Preamble* is a better policy approach rather than *Pemsel*. Each generation should construct its own version of the preamble to set out specific social goals. Tax privileges should be awarded according to the purpose rather than the cause of the phenomenon.

¹³⁹ Kerrie Sadiq and Catherine Richardson ‘Tax concessions for charities: competitive neutrality, tax base and ‘public goods choice’ (2010) 25 *Australian Tax Forum* 113 at 127.

¹⁴⁰ Ann O’Connell ‘The tax position of charities in Australia – Why does it have to be so complicated?’ (2008) 37 *Australian Tax Review* 17 at 36.

¹⁴¹ Yat To Lee ‘Charities and NFPs: Tax Concessions and Reforms’ (2012) 47 *Taxation in Australia* 217 at 227.

Non-profit organizations (NPOs) should be taxed on a large scale and high-risk unrelated commercial activities income and should get the tax exemption for income derived from related business activities, small scale, and low-risk business activities.¹⁴² Lastly, there should be a lower tax rate of ten percent to fifteen percent for the total income derived from unrelated business activities.¹⁴³

Chapter-6: Conclusion

The main aim of this study is to examine the effective achievement of the non-revenue objectives of tax expenditures. This study focuses on tax subsidies to achieve different policy goals and tax concessions to fulfill the public benefit purpose by charitable organizations and other non-profit organizations (NPOs).

The results of this study show that tax subsidies have a significant impact on reducing tax burdens or obligations and promoting social and economic goals. However, there are some countries in which tax subsidies are not able to achieve their specified objectives. On the other hand, tax concessions given to NPOs, and charities can fulfill the public benefit goal by providing their services to a ‘wider community’ rather than a ‘narrow community’. There should be the same tax treatment given by the government to organizations involved in commercial or business activities in the same industry. For this, there is no need to have a statutory definition of charity.

In comparison to previous study¹⁴⁴, the results of this study are not consistent because some objectives are effectively achieved by tax subsidies. In addition, Anne Marie Thow et al. have done a systematic review of the effectiveness of food taxes by focusing on food policy however, the results of this review are based on different policies such as food policy, health policy, economic policy, cultural policy, etc. On the other hand, Yige Zu has done a tax expenditure analysis to reform VAT concessions by adopting a new analysis mode however, this study gives recommendations to effectively fulfill the public benefit objective. The main contribution of the study in the taxation discipline and literature is the analysis of conventional literature on tax expenditures to examine the effectiveness of tax subsidies and tax concessions covered in

¹⁴² Fiona Martin and Ann O’Connell ‘Charities: Commercial Activity Competitive Neutrality and Tax’ (2013) 16 *Tax Specialist* 98 at 103. **25**

¹⁴³ Muhamed Zulkhibri ‘Regulation governing non-profit organizations in developing countries A comparative analysis’ (2014) 54 *International Journal of Law and Management* 251 at 255.

¹⁴⁴ Agustin Redonda, *Tax Expenditures and Sustainability. An Overview* (Council on Economic Policies, Discussion Note 2016/3, November 2016).

different countries at the global level by achieving social or economic goals (refer to Table 4). As discussed in the section 5.4: Summary, this study shows that tax concessions are not effective in achieving the public benefit objective by NPOs and charities. Therefore, this study gives the recommendations to fulfill the public benefit objective.

Tax subsidies can be replaced by direct expenditures however, this replacement include some issues such as constitutional considerations, political considerations, political participation, effectiveness of direct and indirect subsidies, distributional issues, and state level concerns.¹⁴⁵

This study has some implications. Tax subsidies can result in the reduction of production costs and product price so that consumers can procure more products. More organizations can enter the market for the subsidized product because it is more affordable to the producers. Through tax concessions charities and other NPOs can provide their services in more efficient way to public at large scale.

This study is subject to several limitations. First, this study doesn't provide any evidence related to the effective achievement of tax expenditure objectives in the form of direct regulation or direct subsidy compared with tax subsidy. Future studies can consider this for potential research. Second, there was only one database 'google scholar' used to collect literature for this study. Future studies can use other databases such as Australian Tax and Law Library, Lexis Advanced, Hein Online, Inside Wellington, Westlaw Classic, Scopus, etc. to review more literature. Third, the keywords search is limited to the research questions answered in this study. Future researchers can focus on the keywords that are covered in referenced research papers used for this study. Fourth, this review includes published studies based on accessibility and quality. A detailed research process was done to select relevant articles and papers to minimize this limitation (refer to Figure 1). Lastly, this review was limited to English sources therefore, non-English literature was not used in this study.

¹⁴⁵ Evelyn Brody 'Charities Tax Reform: Threats to Subsidies Overt and Covert' (1999) 66 *Tennessee Law Review* 688 at 744.

Appendices:

Table 1: Categories of Tax Expenditures Classification

Category	Criteria	Examples
Delivery Mechanism	Tax expenditures granted mechanism	Tax Exemptions, Tax Deductions, Tax Credits, Tax Reliefs, Tax Deferrals
Tax Type	Tax expenditures application to the specific tax base	Personal Income Tax (PIT), Corporate Income Tax (CIT), Value-added Tax (VAT)
Budget	Tax expenditures attributable budget heading	Functions such as education, health, fuel, and energy
Policy Objective	Tax Expenditures specific policy objective	Housing, Innovation, etc.
Beneficiary	Tax expenditures beneficiary agents or entities	Consumers, Producers, Regions, etc.
Size	Tax expenditures cost magnitude	Absolute terms, Percentage, etc.

Table 2: Sample of Journal Articles

Journal Field and Title	Years													
	2021	2020	2017	2015	2014	2013	2012	2011	2010	2009	2008	2006	1999	Total
Social Science and Medicine Journal of Social Science and Medicine	1													1
Public Health Lancet Public Health		1												1
Journal of Epidemiology and Community Health									1					1
Medicine Public Library of Science (PLoS) Medicine			1											1
Science and Medicine Public Library of Science (PLoS) One				1										1
Food Policy Journal of Food Policy						1		1						2

Land Administration ACTA Scientiarium Polonoeum (Poland)		1												1
Sustainability Journal of Sustainability		1												1
Canadian Public Policy Applied Economic Perspectives and Policy					1									1
Epidemiology International Journal of Epidemiology										1				1
Nutrition Science Journal of Nutrition Reviews												1		1
Charities Journal of the Australasian Tax Teachers Association Australian Tax Forum							1			1	1			1 2

Australian Tax Review											1			1
Taxation in Australia								1						1
Non-Profit Organizations (NPOs)														
International Journal of Law and Management							1							1
Tax Concessions (VAT)														
British Tax Review			1											1
Tax Subsidies													1	1
Tennessee Law Review														
Total	1	3	2	1	1	1	2	1	2	4	1	1	1	20

Table 3: Types of Tax Subsidies covered in different policies and their objectives

Tax Expenditures	Policy	Country	Objectives
Tax and Subsidies (Food and Nutrients)	Economic/Food Policy	Sweden	To prevent and postpone mortality and improve the diet and health of Swedish people.
Tax Subsidy (Food Taxes and Subsidies)	Food Policy	New Zealand	To estimate the health and cost impact of nutrients quantities and evaluate associated changes in health system expenditure and health gains.
Allowances, Exemptions, Provisions, Subsidies, etc. (Property)	Property Tax	Poland	To optimize the property tax.
VAT Reforms (Books)	Cultural Policy	Poland	To enhance readership level.
Tax Subsidies (Food and Beverages)	Food Policy	Australia	To determine an optimal cost-effective package of tax and subsidy options.
Food Taxes Subsidies	Food/Health Policy	New Zealand	To prevent and postpone deaths from diet-related diseases.
VAT Reforms (Food)	Food Policy	Norway	To promote healthier diets.
Excise Tax Reforms (Food)	Economic Policy	New York, USA	To change consumers food choices and reduce intake of concerned nutrients.
Tax Subsidies (Charitable Giving)	Health Policy	USA	To investigate the effect on health outcomes.
VAT and Excise Duty Reforms	Food Policy	Sweden	To improve dietary quality and encouraging healthier grain consumption across income groups.

Food Subsidies	Health Policy	Europe	To introduce taxation on obesity and encouraging healthier grain consumption across income groups.
Tax Subsidies (Food)	Food/Health Policy	United Kingdom	To support national health objectives, for example, to achieve health gains.

Table 4: Impact and the achievement of tax expenditures objectives

Tax Expenditures	Objective	Impact	Effective Achievement
Tax Subsidy (Food Nutrients)	To prevent or postpone mortality and improve the diet and health of Swedish people.	Improved dietary habits and reduce mortality.	✓
Tax Subsidy (Food Taxes and subsidies)	To estimate the health and cost impact on nutrients quantities and evaluate associated changes in health system expenditure and health gains in NZ.	Broad and positive health impact.	✓
Allowances, Exemptions, Provisions, subsidies, etc. (Property)	To optimize the property tax rates in Poland.	No firm evidence.	✗
VAT Reforms (Books)	To enhance readership level in Poland.	No firm evidence.	✗
Tax Subsidy (Food and Beverages)	To determine an optimal cost-effective package of tax and subsidy options in Australia.	Sugar tax and fruit and vegetable subsidy are cost-effective package.	✓
Food Tax Subsidies	To prevent or postpone deaths from diet-related diseases in NZ.	Subsidies are cost-effective.	✓
VAT Reforms (Food)	To promote healthier diets in Norway.	Subsidies resulted in minor increases in healthy food purchases.	✗
Excise Tax Reforms (Food)	To change consumers food choices and reduce intake of concerned nutrients in New York.	Reduces the content of concerned nutrients.	✓
Tax Subsidies (Charitable Giving)	To investigate the effect on health outcomes in the USA,	Reduced Health Problems.	✓
VAT and Excise Duty Reforms	To improve dietary quality and encouraging healthier grain consumption across income group in Sweden	Reforms are progressive among households.	✓

Food Subsidies	To introduce taxation on obesity and encouraging healthier grain consumption across income groups in Europe.	Not favourable, Difficult to implement	x
Tax Subsidies (Food)	To support national health objectives, for example, to achieve health gains in UK.	Significant population health gains	✓