

# **Inflation Accounting and Corporate Taxation**

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**National Institute of Public Finance and Policy**

The impact of inflation on various economic entities is not always fully appreciated. This book, by estimating the impact of inflation on corporate profits and the taxation of the same, attempts to quantify one such impact. The book contains a review of the literature on the issues from the viewpoint of accounting and economics both as well as a study of the corporate sector, both aggregated and disaggregated. The results are important, because they show that the corporate sector in India is taxed too heavily as a result of the combination of inflation and a tax structure which does not explicitly recognise this phenomenon.

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