

## **Recent Readings**

**(E512, Fall 2011, F. Gahvari)**

### **1. "Welfare Economics" and efficiency loss of taxation**

#### 1.1 *Background*

Luttmer, Erzo F. P., and Monica Singhal. 2011. "Culture, Context, and the Taste for Redistribution." *American Economic Journal: Economic Policy*, 3(1): 157–79.

#### 1.2 *Theory*

#### 1.3 *Measurement*

Irwin, Douglas A. 2010. "Trade Restrictiveness and Deadweight Losses from US Tariffs." *American Economic Journal: Economic Policy*, 2(3): 111–33.

### **2. Tax Incidence**

#### 2.1 *Competitive Markets*

#### 1.2 *Imperfect Competition*

Sallee, James M.. 2011. "The Surprising Incidence of Tax Credits for the Toyota Prius." *American Economic Journal: Economic Policy*, 3(2): 189–219.

### **3. Optimal Taxation**

#### 3.1 *Optimal Commodity Taxation*

Correia, Isabel. 2010. "Consumption Taxes and Redistribution." *American Economic Review*, 100(4): 1673–94.

Pascal Belan, Stéphane Gauthier, and Guy Laroque. Optimal grouping of commodities for indirect taxation. *Journal of Public Economics* 92 (2008) 1738–1750.

#### 3.2 *Optimal Income Taxation*

Saez, Emmanuel. 2010. "Do Taxpayers Bunch at Kink Points?" *American Economic Journal: Economic Policy*, 2(3): 180–212.

Choné, Philippe, and Guy Laroque. 2010. "Negative Marginal Tax Rates and Heterogeneity." *American Economic Review*, 100(5): 2532–47.

Saez, Emmanuel; Slemrod, Joel and Giertz, Seth: "The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review." *Journal of Economic Literature*, forthcoming.

Brett, Craig and John A. Weymark. How optimal nonlinear income taxes change when the distribution of the population changes, *Journal of Public Economic*, forthcoming.

Craig Brett and John A. Weymark. The impact of changing skill levels on optimal nonlinear income taxes. *Journal of Public Economics* 92 (2008) 1765–1771.

L. Simula, and A. Trannoy. Optimal income tax under the threat of migration by top-income earners. *Journal of Public Economics* 94 (2010) 163–173.

Alan Krause. Optimal nonlinear income taxation with learning-by-doing. *Journal of Public Economics* 93 (2009) 1098—1110.

Philippe Chone and Guy Laroque, 2005, Optimal incentives for labor force participation, *Journal of Public Economics* 89 (2005) 395-425.

Guy Laroque, 2005, Income maintenance and labor force participation, *Econometrica* 73, 3412—3376.

### 3.3. *Optimal Tax Design*

Mankiw, N. Gregory, Matthew Weinzierl, and Danny Yagan. 2009. "Optimal Taxation in Theory and Practice." *Journal of Economic Perspectives*, 23(4): 147–74.

Roc Armenter. A note on incomplete factor taxation. *Journal of Public Economics* 92 (2008) 2275--2281

### 3.4. *Nontax instruments*

Blomquist, Sören, Vidar Christiansen, and Luca Micheletto. 2010. "Public Provision of Private Goods and Nondistortionary Marginal Tax Rates." *American Economic Journal: Economic Policy*, 2(2): 1–27.

Camacho, Adriana, and Emily Conover. 2011. "Manipulation of Social Program Eligibility." *American Economic Journal: Economic Policy*, 3(2): 41–65.

Milligan, Kevin, and Mark Stabile. 2011. "Do Child Tax Benefits Affect the Well-Being of Children? Evidence from Canadian Child Benefit Expansions." *American Economic Journal: Economic Policy*, 3(3): 175–205.

Angelucci, Manuela, and Giacomo De Giorgi. 2009. "Indirect Effects of an Aid Program: How Do Cash Transfers Affect Ineligibles' Consumption?" *American Economic Review*, 99(1): 486–508.

Anjini Kochar, Kesar Singh, and Sukhwinder Singh. Targeting public goods to the poor in a segregated economy: An empirical analysis of central mandates in rural India. *Journal of Public Economics* 93 (2009) 917–930

#### **4. Public Goods**

F. Bierbrauer and M. Sahm. Optimal democratic mechanisms for taxation and public good provision *Journal of Public Economics* 94 (2010) 453–466.

Felix Bierbrauer. A note on optimal income taxation, public goods provision and robust mechanism design. *Journal of Public Economics* 93 (2009) 667–670.

Neslihan Uler. Public goods provision and redistributive taxation. *Journal of Public Economics* 93 (2009) 440–453.

Thomas Aronsson and Olof Johansson-Stenman. When the Joneses' consumption hurts: Optimal public good provision and nonlinear income taxation. *Journal of Public Economics* 92 (2008) 986–997.

#### **5. Externalities**

Stavins, Robert N.. 2011. "The Problem of the Commons: Still Unsettled after 100 Years." *American Economic Review*, 101(1): 81–108.

Copeland, Brian R., and M. Scott Taylor. 2009. "Trade, Tragedy, and the Commons." *American Economic Review*, 99(3): 725–49.

## 5.1 *Optimal Taxation and Environmental taxation*

Fullerton, Don, and Garth Heutel. 2010. "The General Equilibrium Incidence of Environmental Mandates." *American Economic Journal: Economic Policy*, 2(3): 64–89.

Davis, Lucas W., and Matthew E. Kahn. 2010. "International Trade in Used Vehicles: The Environmental Consequences of NAFTA." *American Economic Journal: Economic Policy*, 2(4): 58–82.

Bento, Antonio M., Lawrence H. Goulder, Mark R. Jacobsen, and Roger H. von Haefen. 2009. "Distributional and Efficiency Impacts of Increased US Gasoline Taxes." *American Economic Review*, 99(3): 667–99.

Parry, Ian W. H., and Kenneth A. Small. 2009. "Should Urban Transit Subsidies Be Reduced?" *American Economic Review*, 99(3): 700–724.

## 6. **Taxation and Labor Supply**

Keane, Michael P. "Labor Supply and Taxes: A Survey." *Journal of Economic Literature*, forthcoming.

S. Blomquist, and H. Selin. Hourly wage rate and taxable labor income responsiveness to changes in marginal tax rates. *Journal of Public Economics* 94 (2010) 878–889.

## 7. **Tax Evasion**

Boadway, Robin, and Motohiro Sato. 2009. "Optimal Tax Design and Enforcement with an Informal Sector." *American Economic Journal: Economic Policy*, 1(1): 1–27.

Chetty, Raj. 2009. "Is the Taxable Income Elasticity Sufficient to Calculate Deadweight Loss? The Implications of Evasion and Avoidance." *American Economic Journal: Economic Policy*, 1(2): 31–52.

Hines, James R.. 2010. "Treasure Islands." *Journal of Economic Perspectives*, 24(4): 103–26.

Dhammika Dharmapala and James R. Hines Jr. Which countries become tax havens? *Journal of Public Economics* 93 (2009) 1058-1068.

R. Bayer and F. Cowell. Tax compliance and firms' strategic interdependence. *Journal of Public Economics* 93 (2009) 1131–1143.

James Alm, Betty R. Jackson, and Michael McKee. Getting the word out: Enforcement information dissemination and compliance behavior. *Journal of Public Economics* 93 (2009) 392–402.

Bernard Fortin, Guy Lacroix, and Marie-Claire Villeval. Tax evasion and social interactions. *Journal of Public Economics* 91 (2007) 2089–2112.

## **8. Taxation in Dynamic Settings**

### 8.1 *Overview*

### 8.2 *Tax Incidence in Dynamic Models*

### 8.3 *Optimal Taxation of Capital*

Diamond, Peter and Spinnewijn, Johannes: Capital Income Taxes with Heterogeneous Discount Rates." *American Economic Journal: Economic Policy*, forthcoming.

### 8.4 *Tax Policy, Rates of Return, and Saving*

Saez, Emmanuel. 2009. "Details Matter: The Impact of Presentation and Information on the Take-Up of Financial Incentives for Retirement Saving." *American Economic Journal: Economic Policy*, 1(1): 204–28.

### 8.5 *New Dynamic Public Finance*

Battaglini, Marco, and Stephen Coate. 2008. "A Dynamic Theory of Public Spending, Taxation, and Debt." *American Economic Review*, 98(1): 201–36.

### 8.6 *Corporate taxation*

Chetty, Raj, and Emmanuel Saez. 2010. "Dividend and Corporate Taxation in an Agency Model of the Firm." *American Economic Journal: Economic Policy*, 2(3): 1–31.

## **9. Housing**

Epplé, Dennis, Brett Gordon, and Holger Sieg. 2010. "A New Approach to Estimating the Production Function for Housing." *American Economic Review*, 100(3): 905–24.

## 10. Behavioral Economics

Chetty, Raj, Adam Looney, and Kory Kroft. 2009. "Salience and Taxation: Theory and Evidence." *American Economic Review*, 99(4): 1145–77.

C. Holmes. Quasi-hyperbolic preferences and retirement: A comment. *Journal of Public Economics* 94 (2010) 129–130

## 11. Social Insurance

Chetty, Raj, and Emmanuel Saez. 2010. "Optimal Taxation and Social Insurance with Endogenous Private Insurance." *American Economic Journal: Economic Policy*, 2(2): 85–114.

Levine, Phillip B., Robin McKnight, and Samantha Heep. 2011. "How Effective Are Public Policies to Increase Health Insurance Coverage among Young Adults?" *American Economic Journal: Economic Policy*, 3(1): 129–56.

A. Direr. The taxation of life annuities under adverse selection. *Journal of Public Economics* 94 (2010) 50–58.

Selahattin İmrohoroğlu and Sagiri Kitao. Labor supply elasticity and social security reform. *Journal of Public Economics* 93 (2009) 867–878.

Casey G. Rothschild. Adverse selection in annuity markets: Evidence from the British Life Annuity Act of 1808. *Journal of Public Economics* 93 (2009) 776–784

## II Other

Auerbach, Alan J. and Gorodnichenko, Yuriy: Measuring the Output Responses to Fiscal Policy." *American Economic Journal: Economic Policy*, forthcoming.

Sahm, Claudia; Shapiro, Matthew D. and Slemrod, Joel: Check in the Mail or More in the Paycheck: Does the Effectiveness of Fiscal Stimulus Depend on How It Is Delivered? *American Economic Journal: Economic Policy*, forthcoming.

Powell, David and Shan, Hui: Income Taxes, Compensating Differentials, and Occupational Choice: How Taxes Distort the Wage-Amenity Decision." *American Economic Journal: Economic Policy*, forthcoming.

Deaton, Angus. 2010. "Price Indexes, Inequality, and the Measurement of World Poverty." *American Economic Review*, 100(1): 5–34.

- Lewbel, Arthur, and Krishna Pendakur. 2009. "Tricks with Hicks: The EASI Demand System." *American Economic Review*, 99(3): 827–63.
- Ireland, Peter N. 2009. "On the Welfare Cost of Inflation and the Recent Behavior of Money Demand." *American Economic Review*, 99(3): 1040–52.
- Beaudry, Paul, Charles Blackorby, and Dezsö Szalay. 2009. "Taxes and Employment Subsidies in Optimal Redistribution Programs." *American Economic Review*, 99(1): 216–42.
- Hamilton, Stephen F.. 2009. "Excise Taxes with Multiproduct Transactions." *American Economic Review*, 99(1): 458–71.
- Banzhaf, H. Spencer, and Randall P. Walsh. 2008. "Do People Vote with Their Feet? An Empirical Test of Tiebout." *American Economic Review*, 98(3): 843–63.
- Gould, Eric D., Omer Moav, and Avi Simhon. 2008. "The Mystery of Monogamy." *American Economic Review*, 98(1): 333–57.
- Auerbach, Alan J., William G. Gale, and Benjamin H. Harris. 2010. "Activist Fiscal Policy." *Journal of Economic Perspectives*, 24(4): 141–64.
- T. Baunsgaard and M. Keen. Tax revenue and (or?) trade liberalization. *Journal of Public Economics* 94 (2010) 563–577.
- Roger Gordon and Wei Li. Tax structures in developing countries: Many puzzles and a possible explanation. *Journal of Public Economics* 93 (2009) 855–866
- Gideon Yaniv, Odelia Rosin, and Yossef Tobol. Junk-food, home cooking, physical activity and obesity: The effect of the fat tax and the thin subsidy. *Journal of Public Economics* 93 (2009) 823–830
- Toke S. Aidt and Peter S. Jensen. The taxman tools up: An event history study of the introduction of the personal income tax. *Journal of Public Economics* 93 (2009) 160–175
- Akira Yakita . Sustainability of public debt, public capital formation, and endogenous growth in an overlapping generations setting. *Journal of Public Economics* 92 (2008) 897–914.