

Seminar on Empirical Public Economics

Winter Term 2018/19

Lecturer

Andrea Schneider

Objective

The seminar covers some current topics in public economics with a focus on the incidence of labor taxation, the elasticity of taxable income, and welfare programs. In addition we will discuss effects of taxation on corporations. Students will summarize and evaluate a recent paper on empirical public economics in their seminar thesis as well as in a presentation hereby learning about theoretical mechanisms of governmental policy and recent empirical methods used in Public Economics.

Dates and Deadlines

- Registration closes on Tuesday, October 9, 2018.
- Obligatory introduction: Thursday, October 11, 2018, 4.00 pm-5.00 pm.
- The seminar thesis must be handed in by Friday, November 23, 2018 (latest 2.00 pm). Please send a pdf-file to andrea.schneider@uni-muenster.de. It is not necessary to provide a printed version of your thesis.
- Presentations of the seminar papers will be given on Thursday/Friday, November 29/30, 2018 (full-days) in the library of the Institute of Public Economics, Wilmergasse 6-8.

Registration

Registration closes on October 9, 2018. To register please send an email including your name, student number, and two preferred papers from the list below (including a rank order) to andrea.schneider@uni-muenster.de. Slots in the course will be allocated on a first-come-first-served basis. Please do not forget to register also at the examination office.

Further Information

Target group: Master students from Economics or Public Policy with solid knowledge of public and empirical economics.

Language: The seminar language is English, i.e., the presentation has to be given in English and the seminar thesis has to be written in English.

Seminar thesis:

- ca. 15 pages
- Some hints for the preparation of the thesis are given in a separate document available on learnweb.

Presentation:

- 25 minutes plus discussion
- Laptop and projector are available in the library.
- Please use pdf to avoid any compatibility problems.

Assessment: seminar thesis (50%), presentation and discussion (50%)

Credits: 6 CP, module MWP 29

TOPICS

I Tax Incidence

1. Linden, L. and J.E. Rockoff (2008). Estimates of the Impact of Crime Risk on Property Values from Megan's Laws. *American Economic Review* 98(3): 1103–27.
2. Rothstein, J. (2010). Is the EITC as Good as an NIT? Conditional Cash Transfers and Tax Incidence. *American Economic Journal: Economic Policy* 2(1): 177–208.

II The Elasticity of Taxable Income

3. Feldstein, M. (1995). The effect of marginal tax rates on taxable income: a panel study of the 1986 Tax Reform Act. *Journal of Political Economy*: 551-572.
4. Saez, E. (2002). Optimal income transefer programs: intensive versus extensive labor supply. *Quarterly Journal of Economics* 117(3), 1039–1073.
5. Saez, E., Slemrod, J., and S.H. Giertz (2012). The elasticity of taxable income with respect to marginal tax rates: A critical review. *Journal of Economic Literature* 50(1): 3–50.
6. Kleven, H.J., C. Landais, and E. Saez (2013). Taxation and international migration of superstars: evidence from the European football market. *American Economic Review* 103(5), 1892–1924.
7. Saez, E. (2010). Do taxpayers bunch at kink points? *American Economic Journal: Economic Policy* 2(3): 180–212.
8. Kleven, H.J. and M. Waseem (2013). Using Notches to Uncover Optimization Frictions and Structural Elasticities: Theory and Evidence from Pakistan. *The Quarterly Journal of Economics* 128(2): 669–723.

III Corporate Taxation

9. Chetty, R. and E. Saez (2005). Dividend Taxes and Corporate Behavior: Evidence from the 2003 Dividend Tax Cut, *The Quarterly Journal of Economics*, 70(3): 791–833.
10. Devereux, M., Liu L., and S. Loretz (2014). The Elasticity of Corporate Taxable Income: New Evidence from UK Tax Records, *American Economic Journal: Economic Policy* 6(2): 19-53.
11. Gordon R.H. and Y. Lee (2001). Do Taxes Affect Corporate Debt Policy? Evidence from U.S. Corporate Tax Return Data. *Journal of Public Economics* 82: 195-224.