

**Seminar on Empirical Public Economics**  
**Winter term 2017**  
**Course ID 040266**

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**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 corporate behavior. 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 method used in Public Economics.

**Dates and Deadlines**

- Registration closes on Tuesday, October 10.
- An obligatory introduction takes place on Friday, October 13, 8.30-9.45, in the library of the Institute of Public Economics, Wilmergasse 6-8.
- The seminar thesis must be handed in by Friday, November 10. Please send a pdf-file to [andrea.schneider@uni-muenster.de](mailto: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, November 23 (full-day) in the library of the Institute of Public Economics, Wilmergasse 6-8.

**Registration**

Registration closes on October 10. 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](mailto: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 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. Doyle Jr., J.J. and K. Samphantharak (2008). \$2.00 Gas! Studying the effects of a gas tax moratorium. *Journal of Public Economics* 92(3-4): 869–884.
2. 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.
3. 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

4. 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.
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. Saez, E. (2010). Do taxpayers bunch at kink points? *American Economic Journal: Economic Policy* 2(3): 180–212.
7. 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

8. 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.
9. 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.
10. 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.