

14.471 - Public Economics Part IUseful General References:

- A. Atkinson and J. Stiglitz, Lectures in Public Economics: Updated Edition (Princeton University Press: Princeton, 2015).
- A. Auerbach and M. Feldstein, Handbook of Public Economics: Volumes 1 - 5 (Amsterdam: North Holland, 1985, 1987, 2002, 2012).
- Institute for Fiscal Studies, Dimensions of Tax Design: The Mirrlees Review (Oxford University Press, 2010).
- B. Salanie, Economics of Taxation 2nd Edition (Cambridge: MIT Press, 2011).
- J. Slemrod and J. Bakija, Taxing Ourselves: A Citizen's Guide to the Debate over Taxes: Fifth Edition. MIT Press, 2017.
- U.S. Congress, Congressional Budget Office, The Budget and Economic Outlook, 2022 to 2032 (Washington: CBO).

1. Introduction to Tax Analysis1.1 The Efficiency Costs of Taxation

- S. Agarwal, N. Marwell, and L. McGranahan, "Consumption Responses to Temporary Tax Incentives: Evidence from State Sales Tax Holidays." American Economic Journal: Economic Policy, 9 (2017): 1-27.
- H. Alcott, B. Lockwood, and D. Taubinsky, "Regressive Sin Taxes with an Application to the Optimal Soda Tax," Quarterly Journal of Economics 134 (2019), 1557-1626.
- T. Besley, N. Meads, and P. Surico, "The Incidence of Transactions Taxes: Evidence from a Stamp Duty Holiday," Journal of Public Economics 119 (2014), 61-70.
- R. Chetty, A. Looney, and K. Kroft, "Saliency and Taxation: Theory and Evidence," American Economic Review 99 (2009), 1145-1177.**
- P. Decicca, D. Kenkel, and M. Lovenheim, "The Economics of Tobacco Regulation: A Comprehensive Review," Journal of Economic Literature 60 (2022), 883-970.

- L. Einav, D. Knoepfle, J. Levin, and N. Sundaresan, "[Sales Taxes and Internet Commerce.](#)" American Economic Review 104 (2014), 1-26.
- E. Farhi and X. Gabaix, "[Optimal Taxation with Behavioral Agents.](#)" American Economic Review, 110 (January 2020), 298-336.
- L. Goulder and R. Williams, "[The Substantial Bias from Ignoring General Equilibrium Effects in Estimating Excess Burden, and a Practical Solution.](#)" Journal of Political Economy 111 (2003), 898-927.
- J. Gruber and B. Koszegi, "[Tax Incidence When Individuals Are Time-Inconsistent: The Case Of Cigarette Excise Taxes.](#)" Journal of Public Economics 88 (2004), 1959-1987.
- M. Harding, E. Leibtag, and M. Lovenheim, "[The Heterogeneous Geographic and Socioeconomic Incidence of Cigarette Taxes: Evidence from Nielsen Homescan Data.](#)" American Economic Journal 4 (2012), 169-198.
- J. Hausman, "[Exact Consumers Surplus and Deadweight Loss](#)", American Economic Review 81 (1981), 622-676.
- J. Hausman and W. Newey, "[Nonparametric Estimation of Exact Consumers Surplus and Deadweight Loss.](#)" Econometrica 63 (1995), 1445-1476.
- J. Hausman and W. Newey, "[Individual Heterogeneity and Average Welfare.](#)" Econometrica 84 (2016), 1225-1248.
- J. Marion and E. Muehlegger, "[Measuring Illegal Activity and the Effects of Regulatory Innovation: A Study of Diesel Fuel Tax Evasion.](#)" Journal of Political Economy 116 (2008), 633-666.
- A. Rees-Jones and D. Taubinsky, "Attention Variation and Welfare: Theory and Evidence from a Tax Salience Experiment," Review of Economic Studies 85 (2018), 2462-2496.**

1.2 General Equilibrium Tax Incidence

- A. Atkinson and J. Stiglitz, Lectures on Public Economics, Chapter 6.
- C. Ballard, D. Fullerton, J. Shoven, and J. Whalley, [A General Equilibrium Model for Tax Policy Evaluation](#) (Chicago: University of Chicago Press, 1985).
- D. Bradford, "[Factor Prices May be Constant but Factor Returns are Not.](#)" Economic Letters 1 (1978), 199-203.

- D. Cutler, "[Tax Reform and the Stock Market: An Asset Price Approach](#)," American Economic Review 78 (1988), 1107-1117.
- D. Fullerton and G. Metcalf, "[Tax Incidence](#)," in A. Auerbach and M. Feldstein, eds., Handbook of Public Economics, Volume 4 (Amsterdam: North Holland, 2002).
- J. Poterba, "[Tax Subsidies to Owner-Occupied Housing: An Asset Market Approach](#)," Quarterly Journal of Economics 99 (1984), 729-752.
- J. Serrato and O. Zidar, "[Who Benefits from State Corporate Tax Cuts? A Local Labor Markets Approach with Heterogeneous Firms](#)," American Economic Review 106 (2016), 2582-2624.
- K. Sommer and P. Sullivan, "Implications of U.S. Tax Policy for House Prices, Rents, & Homeownership," American Economic Review 108 (2018), 241-274.
- J. Stroebel, M. Floetotto, and M. Kirker, "[Government Intervention in the Housing Market: Who Wins, Who Loses?](#)" Journal of Monetary Economics 80 (2016),

2. Taxation & Labor Supply – Empirical Evidence

2.1 Taxation and Labor Supply: Primary Earners

- U. Akcigit, S. Baslandze, and S. Stantcheva, "Taxation and the International Mobility of Inventors," American Economic Review 106 (2016), 2930-2981.
- A. Alesina, E. Glaeser, and B. Sacerdote, "[Work and Leisure in the U.S. and Europe: Why So Different?](#)," NBER Macroeconomics Annual 2005, D. Acemoglu and K. Rogoff, eds., 1-64.
- S. Blomquist, "[Restrictions in Labor Supply Estimation: Is the MaCurdy Critique Correct?](#)," Economics Letters 47 (1995), 229-235.
- S. Blomquist, M. Eklof, and W. Newey, "[Tax Reform Evaluation Using Nonparametric Methods: Sweden 1980-1991](#)," Journal of Public Economics 79 (2001), 543-568.
- M. Borella, M. DeNardi, M. Pak, N. Russo, and F. Yang, "The importance of Modeling Income Taxes Over Time," NBER WP 30725, December 2022.
- R. Blundell, A. Duncan, and C. Meghir, "[Estimating Labor Supply Responses Using Tax Reforms](#)," Econometrica 66 (1998), 827-862.
- R. Chetty, "[Bounds on Elasticities with Optimization Frictions: A Synthesis of Micro and Macro Evidence on Labor Supply](#)," Econometrica 80 (2012), 969-1018.

- R. Chetty, J. Friedman, T. Olsen, and L. Pistaferri, "[Adjustment Costs, Firm Responses, and Micro vs. Macro Labor Supply Elasticities: Evidence from Danish Tax Records](#)," Quarterly Journal of Economics 126 (2011), 749-804.
- A. Gelber, D. Jones, and D. Sacks, "[Estimating Earnings Adjustment Frictions: Method and Evidence from the Social Security Earnings Test](#)," American Economic Journal: Applied Economics 12 (2020), 1-21.
- J. Hausman, "Labor Supply," in H. Aaron and J. Pechman, eds., How Taxes Affect Economic Behavior (Washington: Brookings Institution, 1981), 27-83.
- M. Keane, "[Labor Supply and Taxes: A Survey](#)," Journal of Economic Literature, 49 (2011), 961-1075.**
- H. Kleven, "[Bunching](#)," Annual Review of Economics 8 (2016), 435-464.**
- H. Kleven, C. Landais, and E. Saez, "[Taxation and International Migration of Superstars: Evidence from the European Football Market](#)," American Economic Review 103 (2013), 1892-1924.
- H. Kleven, C. Landais, E. Saez, and E. Schultz, "[Migration and Wage Effects of Taxing Top Earners: Evidence from the Foreigners' Tax Scheme in Denmark](#)," Quarterly Journal of Economics 129 (2014), 333-378.
- H. Kleven, C. Landais, M. Munoz and S. Stantcheva, "Taxation and Migration: Evidence and Policy Implications," Journal of Economic Perspectives 34 (2020), 119-142.
- L. Ljungqvist and T. Sargent, "[Do Taxes Explain European Employment? Indivisible Labor, Human Capital, Lotteries, and Saving](#)," in NBER Macroeconomics Annual 2006, ed. D. Acemoglu, K. Rogoff, and M. Woodford (Cambridge: MIT Press), 181-244.
- C. Meghir and D. Phillips, "[Labor Supply and Taxes](#)," in Institute for Fiscal Studies, Dimensions of Tax Design: The Mirrlees Review (2009).
- R. Moffitt and M. Wilhelm, "[Taxes and Labor Supply Decisions of the Affluent](#)," in J. Slemrod, ed., Does Atlas Shrug? The Economic Consequences of Taxing the Rich (New York, Russell Sage Foundation, 2000), 193-234.
- C. Mulligan, The Redistribution Recession (Oxford University Press, 2012).
- L. Ohanian, A. Raffo, and R. Rogerson, "[Long-Term Changes in Labor Supply and Taxes: Evidence from OECD Countries, 1956-2004](#)," Journal of Monetary Economics 55 (2008), 1353-1362.

- E. Saez, ["Do Tax Filers Bunch at Kink Points?,"](#) American Economic Journal: Economic Policy 2 (2010), 180-212.
- E. Saez, B. Schoefer, and D. Seim, "Payroll Taxes, Firm Behavior, and Rent Sharing: Evidence from a Young Workers' Tax Cut in Sweden," American Economic Review 109 (2019), 1717-1763.
- J. Ziliak and T. Kniesner, ["Estimating Life Cycle Labor Supply Tax Effects,"](#) Journal of Political Economy 107 (1999), 326-359.

2.2 Taxation and Labor Supply: Secondary Earners

- A. Bick and N. Fuchs-Schündeln, "Quantifying the Disincentive Effects of Joint Taxation on Married Women's Labor Supply," American Economic Review 107 (May 2017), 100-104.
- F. Blau and L. Kahn, ["Changes in the Labor Supply Behavior of Married Women, 1980-2000,"](#) Journal of Labor Economics 25 (2007), 393-438.
- N. Eissa, H. Kleven, and C. Kreiner, ["Evaluation of Four Tax Reforms in the United States: Labor Supply and Welfare Effects for Single Mothers,"](#) Journal of Public Economics 92 (2008), 795-816.
- A. Gelber, ["Taxation and Earnings of Husbands and Wives: Evidence from Sweden,"](#) Review of Economics and Statistics 96 (2014), 287-305.
- A. Kumar and C. Liang, ["Declining Female Labor Supply Elasticities in the United States and Implications for Tax Policy: Evidence from Panel Data,"](#) National Tax Journal 69 (September 2016), 481-516.

2.3 The Earned Income Tax Credit and Child Tax Credit

- R. Chetty and E. Saez, ["Teaching the Tax Code: Earnings Responses to an Experiment with EITC Recipients,"](#) American Economic Journal: Applied Economics 5 (2013), 1-31
- R. Chetty, J. Friedman, and E. Saez, ["Using Differences in Knowledge Across Neighborhoods to Uncover the Impacts of the EITC on Earnings,"](#) American Economic Review 103 (2013), 2683-2721.
- K. Corinth, B. Meyer, M. Stadnicki, and D. Wu, "The Anti-Poverty, Targeting, and Labor Supply Effects of Replacing a Child Tax Credit with a Child Allowance," NBER Working Paper 29366, October 2021.

N. Eissa and J. Liebman, "[Labor Supply Response to the Earned Income Tax Credit](#)," Quarterly Journal of Economics 111 (1996), 605-637.

J. Goldin, E. Maag and K. Micheltore, "Estimating the Net Fiscal Cost of a Child Tax Credit Expansion." Tax Policy and the Economy (2022).

J. Goldin and K. Micheltore, "Who Benefits from the Child Tax Credit?" National Tax Journal: Forum (2022).

H. Kleven, "The EITC and the Extensive Margin: A Reappraisal,"
https://www.henrikkleven.com/uploads/3/7/3/1/37310663/kleven_eitc_sep2022.pdf)

J. Rothstein, "[Is the EITC as Good as an NIT? Conditional Cash Transfers and Tax Incidence](#)," American Economic Journal: Economic Policy 2 (2010), 177-208.

2.4 Taxation and Inequality

M. Aguiar and M. Bils, "[Has Consumption Inequality Mirrored Income Inequality?](#)" American Economic Review 105 (September 2015), 2725-2756.

R. Blundell, M. Graber, and M. Mogstad, "[Labor Income Dynamics and the Insurance from Taxes, Transfers and the Family](#)," Journal of Public Economics 127 (July 2015), 58-73.

R. Burkhauser, K. Corinth, and J. Elwell, "Income Growth and its Distribution from Eisenhower to Obama: The Growing Importance of In-Kind Transfers," NBER Working Paper 26439, November 2019.

R. Chetty, N. Hendren, P. Kline, E. Saez, N. Turner, "[Is the U.S. Still a Land of Opportunity? Recent Trends in Intergenerational Mobility](#)," American Economic Review, Papers and Proceedings 104 (2014), 141-147.

International Monetary Fund, [Fiscal Policy and Income Inequality](#) (Washington; 2014).

K. Jakobsen, H. Kleven, K. Jackobsen, and G. Zucman, "Wealth Taxation and Wealth Accumulation: Theory and Evidence from Denmark," Quarterly Journal of Economics 135 (2020), 329-388.

B. Meyer and J. Sullivan, "Consumption and Income Inequality in the U.S. Since the 1960s," NBER Working Paper 23655, 2017.

E. Saez, "Income and Wealth Inequality: Evidence and Policy Implications,"
Contemporary Economic Policy 35 (January 2017), 7-25.

- E. Saez and G. Zucman, "Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data," Quarterly Journal of Economics 131 (2016), 519-578.
- E. Saez and G. Zucman, "Trends in US Income and Wealth Inequality: Revising After the Revisionists," NBER Working Paper 27921, 2020.
- M. Smith, D. Yagan, O Zidar, and E. Zwick, "Capitalists in the 21st Century," Quarterly Journal of Economics 134 (2019), 1-71.
- M. Smith, O. Zidar, & E. Zwick, "Top Wealth in America: New Estimates Under Heterogeneous Returns," Quarterly Journal of Economics 138 (2023), 515-573.

3. Tax Rates and Taxable Income

- S. Bastani and H. Selin, "[Bunching and Non-Bunching at Kink Points of the Swedish Tax Schedule](#)," Journal of Public Economics 109 (2014), 36-49.
- R. Chetty "[Is the Taxable Income Elasticity Sufficient to Calculate Deadweight Loss? The Implications of Evasion and Avoidance](#)," American Economic Journal: Economic Policy 1 (2009), 31-52.
- M. Feldstein, "[The Effects of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform](#)," Journal of Political Economy 103 (1995), 551-571.
- J. Gruber and E. Saez, "[The Elasticity of Taxable Income: Evidence and Implications](#)," Journal of Public Economics 84 (2002), 1-32.
- C. Kreiner, S. Leth-Petersen, and P. Skov, "Tax Reforms and Intertemporal Shifting of Wage Income: Evidence from Danish Monthly Payroll Records," American Economic Journal: Economic Policy 8 (2016), 233-257.
- K. Mertens and J. Olea, "[Marginal Tax Rates and Income: New Time Series Evidence](#)," Quarterly Journal of Economics 133 (2018), 1803-1884.
- T. Piketty, E. Saez, and S. Stantcheva, "[Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities](#)," American Economic Journal: Economic Policy 6 (2014), 230-271.
- C. Romer and D. Romer, "[The Incentive Effects of Marginal Tax Rates: Evidence from the Interwar Era](#)," American Economic Journal: Economic Policy, 6 (2014), Number 3, 242-281.

E. Saez, J. Slemrod, and S. Giertz, ["The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review,"](#) Journal of Economic Literature 50 (2012), 3-50.

4. Tax Expenditures and Definition of Tax Base

J. Gruber, ["Taxes and Health Insurance,"](#) Tax Policy and the Economy, J. Poterba, ed., 16 (2002), 37-66.

H. Kleven, ["How Can Scandinavians Tax So Much?"](#) Journal of Economic Perspectives 28 (2014), 77-98.

J. Poterba and T. Sinai, ["Revenue Costs and Incentive Effects of the Mortgage Interest Deduction for Owner-Occupied Housing,"](#) National Tax Journal 64 (2011), 531-564.

E. Saez, "The Optimal Treatment of Tax Expenditures," Journal of Public Economics 88 (2004), 2657-2684.

5. Empirical Aspects of Taxing Capital Income

5.1 Capital Income, Wealth, and Saving Behavior: Stylized Facts and Model Formulation

N. Bhutta, J. Bricker, A. Chang, L. Dettling, S. Goodman, J. Hsu, K. Moore, S. Reber, A. Volz, and R. Windle, "Changes in U.S. Family Finances from 2016 to 2019: Evidence from the Survey of Consumer Finances," Federal Reserve Bulletin 106 (September 2020).

J. Altonji, F. Hayashi, and L. Kotlikoff, ["Parental Altruism and Inter Vivos Transfers: Theory and Evidence,"](#) Journal of Political Economy 105 (1997), 1121-1166.

B. Bernheim, A. Shleifer, and L. Summers, ["The Strategic Bequest Motive,"](#) Journal of Political Economy 93 (1985), 1045-1076.

M. DeNardi, E. French, J. Jones, ["Why Do the Elderly Save? The Role of Medical Expenses,"](#) Journal of Political Economy 118 (2010), 37-75.

W. Kopczuk and J. Lupton, ["To Leave or Not to Leave: The Distribution of Bequest Motives,"](#) Review of Economic Studies 74 (2007), 207-235.

L. Lockwood, "Incidental Bequests and the Choice to Self-Insure Late Life Risks," American Economic Review 108 (September 2018).

J. Poterba, ["Retirement Saving in an Aging Population,"](#) American Economic Review 104 (May 2014), 1-30.

J. Poterba, S. Venti, and D. Wise, "[The Composition and Draw-Down of Wealth in Retirement](#)," Journal of Economic Perspectives 25 (2011), 95-118.

5.2 Tax Policy, Rates of Return, and Saving

A. Atkinson and J. Stiglitz, Lectures in Public Economics, Chapter 3.

O. Attanasio and M. Wakefield, "[The Effect on Consumption and Saving of Taxing Asset Returns](#)," in Institute for Fiscal Studies, [Dimensions of Tax Design: The Mirrlees Review](#) (Oxford University Press, 2010), 675-763.

O. Attanasio and G. Weber, "[Consumption and Saving: Models of Intertemporal Allocation and their Implications for Public Policy](#)," Journal of Economic Literature 48 (2010), 693-751.

I. Fadlon, J. Laird, and T.H. Nielsen, "[Do Employer Pension Contributions Reflect Employee Preferences? Evidence from a Retirement Saving Reform in Denmark](#)," American Economic Journal: Applied Economics 8 (July 2016), 196-216.

R. Hall, "[Intertemporal Substitution in Consumption](#)," Journal of Political Economy 96 (1988), 339-357.

E. McGrattan, "[Capital Taxation During the Great Depression](#)," Quarterly Journal of Economics 127 (2012), 1515-1550.

C. Mulligan, "[What Do Aggregate Consumption Euler Equations Say About the Capital Income Tax Burden?](#)," American Economic Review 94 (May 2004), 166-170.

5.3 Tax Reform: Income Taxes vs. Consumption Taxes

D. Altig, A. Auerbach, L. Kotlikoff, K. Smetters, and J. Walliser, "[Simulating Fundamental Tax Reform in the United States](#)," American Economic Review 91 (2001), 574-595.

A. Auerbach, "[The Choice Between Income and Consumption Taxes: A Primer](#)," in A. Auerbach and D. Shaviro, eds., Institutional Foundations of Public Finance: Economic and Legal Perspectives (2009).

A. Auerbach and L. Kotlikoff, Dynamic Fiscal Policy (Cambridge: Cambridge University Press, 1987), Chapter 5.

J. Poterba, "[Lifetime Incidence and the Distributional Burden of Excise Taxes](#)," American Economic Review 79 (1989), 325-330.

5.4 Targeted Tax Subsidies to Saving

- D. Benjamin, ["Does 401\(k\) Eligibility Increase Saving? Evidence from Propensity Score Subclassification,"](#) *Journal of Public Economics* 87 (2003), 1259-1290.
- B. Bernheim, A. Fradkin, and I. Popov, ["The Welfare Economics of Default Options in 401\(k\) Plans,"](#) *American Economic Review* 105 (2015) 105, 2798-2838.
- M. Briere, J. Poterba, and A. Szafarz, "Choice Overload? Participation and Asset Allocation in French Employer-Sponsored Saving Plans." NBER Working Paper 29601, 2021.
- G. Carroll, J. Choi, D. Laibson, B. Madrian, and A. Metrick, ["Optimal Defaults and Active Decisions,"](#) *Quarterly Journal of Economics* 124 (2009), 1639-1674.
- R. Chetty, J. Friedman, S. Leth-Petersen, T. Nielsen, and T. Olsen, ["Active vs. Passive Decisions and Crowd out in Retirement Saving Accounts: Evidence from Denmark,"](#) *Quarterly Journal of Economics* 129 (2014), 1141-1219.**
- E. Duflo, W. Gale, J. Liebman, P. Orszag, and E. Saez, ["Saving Incentives for Low and Middle-Income Families: Evidence from a Field Experiment with H&R Block,"](#) *Quarterly Journal of Economics* 121 (2006), 1311-1346.
- G. Engelhardt and A. Kumar, ["Employer Matching and 401\(k\) Saving: Evidence from the Health & Retirement Study"](#) *Journal of Public Economics* 91(2007), 1920-43.
- E. Engen, W. Gale, and J. Scholz, ["The Illusory Effects of Saving Incentives,"](#) *Journal of Economic Perspectives* 10 (1996), 113-138.
- A. Gelber, ["How Do 401\(k\)s Affect Saving? Evidence from Changes in 401\(k\) Eligibility."](#) *American Economic Journal: Economic Policy*, 3(2011): 103–122.
- B. Heim and I. Lurie, ["The Effect of Recent Tax Changes on Tax-Preferred Saving Behavior,"](#) *National Tax Journal* 65 (2012), 283-312.
- B. Madrian and D. Shea, ["The Power of Suggestion: Inertia in 401\(k\) Participation and Saving Behavior,"](#) *Quarterly Journal of Economics* 116 (2001), 1149-1187.**
- K. Milligan, ["How Do Contribution Limits Affect Contributions to Tax-Preferred Saving Accounts?,"](#) *Journal of Public Economics* 87 (2003), 253-282.
- J. Poterba, S. Venti, and D. Wise, ["Do 401\(k\) Contributions Crowd Out Other Personal Saving?,"](#) *Journal of Public Economics* 58 (1995), 1-32.

6. Social Security and Public Pensions

N. Barr and P. Diamond, Reforming Pensions: Principles and Policy Choices (Oxford University Press, 2008).

P. Diamond, “Social Security,” American Economic Review 94 (2004), 1-24.

M. Feldstein and J. Liebman, “Social Security,” in Handbook of Public Economics, Volume 4, edited by A. Auerbach and M. Feldstein (Amsterdam: North Holland, 2002), 2246-2324.

J. Gruber and D. Wise, Social Security and Retirement Around the World (Chicago, University of Chicago Press, 1999), pages 1-36.

A. Gustman and T. Steinmeier, “Effects of Social Security Policies on Benefit Claiming, Retirement & Saving,” Journal of Public Economics 129 (2015), 51-62.

N. Maestas, K. Mullen and A. Strand, “Does Disability Insurance Receipt Discourage Work? Using Examiner Assignment to Estimate Causal Effects of SSDI Receipt,” American Economic Review 103 (2013), 1797-1829.

S. Staubli and J. Zweimuller, “Does Raising the Early Retirement Age Increase Employment of Older Workers?” Journal of Public Economics 108 (2013), 17-32.

7. Taxation, Investment, and Firm Behavior

7.1 Taxation of Corporate Capital: Investment Incentives

D. Acemoglu, A. Manera, and P. Restrepo, “Does the US Tax Code Favor Automation?,” Brookings Papers on Economic Activity 2020 (1), 231-298.

A. Auerbach, “Measuring the Effects of Corporate Rate Cuts,” Journal of Economic Perspectives 32 (2018), 97-120.

A. Auerbach, "Taxation, Corporate Financial Policy, and the Cost of Capital," Journal of Economic Literature 21 (1983), 905-940.

A. Auerbach and M. Devereux, “Cash Flow Taxes in an International Setting,” American Economic Journal: Economic Policy 10 (2018), 69-94.

A. Auerbach, M. Devereux, and H. Simpson, “Taxing Corporate Income,” in Dimensions of Tax Design: The Mirrlees Review (Oxford University Press, 2010), 837-892.

- R. Barro and J. Furman, "Macroeconomic Effects of the 2017 Tax Reform," Brookings Papers on Economic Activity 2018(1), 257-345.
- E. Curtis, D. Garrett, E. Ohrn, K. Roberts, and J. Suarez Serrato, "Capital Investment and Labor Demand," NBER Working Paper 29485, 2021.
- M. Desai and A. Goolsbee, "[Investment, Overhang, and Tax Policy](#)," Brookings Papers on Economic Activity 2004:2, 285-338.
- M. Devereux, L. Liu, and S. Loretz, "[The Elasticity of Corporate Taxable Income: New Evidence from U.K. Tax Records](#)," American Economic Journal: Economic Policy 6 (2014), Number 2, 19-53.
- S. Fazzari, R. Hubbard, and B. Peterson, "[Financing Constraints and Corporate Investment](#)," Brookings Papers on Economic Activity 1988:1, 141-195.
- A. Goolsbee, "[Investment Incentives and the After-Tax Price of Capital Goods](#)," Quarterly Journal of Economics 113 (1998), 121-148.
- K. Hassett and R. G. Hubbard, "[Tax Policy and Business Investment](#)," in A. Auerbach and M. Feldstein, eds., Handbook of Public Economics, Volume 3 (Amsterdam: Elsevier, 2002), 1294-1343.
- C. House and M. Shapiro, "[Temporary Investment Tax Incentives: Theory with Evidence from Bonus Depreciation](#)," American Economic Review 98 (2008), 737-768.
- C. House, A. Mocanu, and M. Shapiro, "Stimulus Effects of Investment Incentives: Production vs. Purchases," NBER Working Paper 23391, 2017.
- O. Lamont, "[Cash Flow and Investment: Evidence from Internal Capital Markets](#)," Journal of Finance 52 (1997), 83-109.
- L. Summers, "[Taxation and Corporate Investment: A q-Theory Approach](#)," Brookings Papers on Economic Activity 1:1981, 67-127.
- E. Zwick and J. Mahon, "[Tax Policy and Heterogeneous Investment Behavior](#)," American Economic Review 107 (2017), 217-248.**

7.2 Taxation and Financial Policy: Debt vs. Equity

- J. Graham, "[Taxes and Corporate Finance](#)," in E. Eckbo, editor, Handbook of Empirical Corporate Finance, Volume 2, 2008.

F. Heider and A. Ljungqvist, "[As Certain as Debt and Taxes: Estimating the Tax Sensitivity of Leverage from Exogenous State Tax Changes.](#)" Journal of Financial Economics 118 (2015), 684-712.

M. Miller, "[Debt and Taxes](#)", Journal of Finance 32 (1977), 261-275.

S. Myers, "[Financing of Corporations.](#)" in G. Constantinides, M. Harris, and R. Stulz, eds., [Handbook of the Economics of Finance, Volume 1A](#) (Amsterdam: North Holland, 2003), 215-253.

J. van Binsbergen, J. Graham, J. Yang, "[The Cost of Debt.](#)" Journal of Finance 65 (2010), 2089-2136.

7.3 Taxation and Financial Policy: Payout Policy

F. Allen and R. Michaely, "[Payout Policy.](#)" in G. Constantinides, M. Harris, and R. Stulz, eds., [Handbook of the Economics of Finance, Volume 1A](#) (Amsterdam: North Holland, 2003), 337-429.

A. Auerbach, "[Taxation and Corporate Financial Policy.](#)" in A. Auerbach and M. Feldstein, eds., [Handbook of Public Economics, Vol. 3](#) (Amsterdam: Elsevier, 2002), 1252-1292.

A. Auerbach and K. Hassett, "[On the Marginal Source of Investment Funds.](#)" Journal of Public Economics 87 (2003), 205-232.

C. Boissel and A. Matray, "Dividend Taxes and the Allocation of Capital," American Economic Review 112 (2022), 2884-2920.

A. Brav, J. Graham, C. Harvey, and R. Michaely, "[The Effect of the May 2003 Dividend Tax Cut on Corporate Dividend Policy: Empirical and Survey Evidence.](#)" National Tax Journal 61 (2008), 381-396.

J. Brown, N. Liang, and S. Weisbenner, "[Executive Financial Incentives and Payout Policy: Firm Responses to the 2003 Dividend Tax Cut.](#)" Journal of Finance 62 (2007), 1935-1966.

R. Chetty and E. Saez, "[Dividend Taxes and Corporate Behavior: Evidence from the 2003 Dividend Tax Cut.](#)" Quarterly Journal of Economics 120 (2005), 791-834.

J. Edgerton, "[Four Facts about Dividend Payouts and the 2003 Tax Cut.](#)" International Tax and Public Finance 20 (October 2013), 769-784.

R. Gordon and M. Dietz, "[Dividends and Taxes.](#)" in A. Auerbach and D. Shaviro, eds., [Institutional Foundations of Public Finance: Economic and Legal Perspectives](#) (2009).

- L. Kawano, "[The Dividend Clientele Hypothesis: Evidence from the 2003 Act](#)," American Economic Journal: Economic Policy 6 (2014), 114-136.
- T. Moon, "Capital Gains Taxes and Real Corporate Investment," American Economic Review 112 (2022), 2669-2700.
- J. Poterba, "[Taxation and Corporate Payout Policy](#)," American Economic Review 94 (2004), 171-175.
- J. Poterba and L. Summers, "[The Economic Effects of Dividend Taxation](#)," in E. Altman and M. Subrahmanyam, eds., Recent Advances in Corporation Finance (Homewood, IL: Dow Jones-Irwin, 1985), 227-284.
- D. Yagan, "[Capital Tax Reform and the Real Economy: The Effects of the 2003 Dividend Tax Cut](#)," American Economic Review (2015) 105, 3531-3563.**

8. Long-Term Fiscal Policy

- O. Blanchard, Fiscal Policy under Low Interest Rates. Cambridge: MIT Press, 2023.
- J. Furman and L. Summers, "Who's Afraid of Budget Deficits?" Foreign Affairs (March / April) 2019.