

Rutgers University
Department of Economics
ECONOMICS 515: PUBLIC ECONOMICS
Spring 2018

Class Hours: Mondays and Thursdays, 9:50 to 11:10 am
Classroom: Monday: Scott 216
Thursday: Scott 221
Instructors: Professor Rosanne Altshuler Professor Amanda Agan
205A New Jersey Hall 420 New Jersey Hall
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Course Description: This course covers several applied topics in the field of public economics: economics of taxation, anti-poverty programs, discrimination, and the criminal justice system. It is designed to provide a working knowledge of modern theoretical and empirical techniques for policy analysis. The aim of the course is to help students develop the skills to think critically about the economics underlying public policies, to identify and answer research questions, and to analyze microeconomic issues empirically.

Learning Outcomes: This course is designed to help students achieve two of the stated learning goals of the graduate program in Economics: 1) attain marked ability, scholarship, research, and leadership skills in economics with specialization in sub-disciplines; and 2) engage in and conduct research. These learning goals apply to both doctoral and masters students.

The specific goals for the course are:

- Provide students with a solid working knowledge of the current research in the economics of taxation, anti-poverty programs, discrimination, and the criminal justice system.
- Expose students to a wide-range of data sources and empirical techniques
- Teach students how to give research presentations
- Help students develop research proposals that may be used for second year papers or masters' theses

Method of Evaluation: Course grades will be determined as follows:

Active Participation	
Presentation of 2 starred papers (*) from reading list	15%
Reaction paper (due on or before April 30)	15%
Attendance and participation in class discussions	5%
Final exam (will be held during finals week)	25%
Research Proposal	
Presentation (last three classes of the semester)	10%
Two page pre-proposal (due March 22)	
Written proposal (due April 30)	30%

Active Participation: Students are expected to attend all class meetings and actively participate in class discussions by asking and answering questions. Students are expected to come to each class having done any announced readings and being prepared to participate.

Each student will be required to present two of the starred (*) papers from the reading list – one from Part I (Taxation) and one from Part 2 (Anti-Poverty programs, discrimination, and the criminal justice system). These presentations should be in the style of a 15 minute "conference presentation" aimed at promoting further discussion of the paper. They should include the following:

- A clear statement of the research question and the motivation for studying it
- A discussion of the empirical methodology and data used
- The highlights of the empirical results
- A statement of the authors' conclusions

Please submit your chosen paper by Thursday Feb 1 via e-mail to both Prof. Altshuler and Prof. Agan. Each student should choose 5 papers from Part 1 and 5 from Part 2 and rank in the sequence of preference. Professor Altshuler will announce the final schedule on Monday, Feb 5.

Exam: The final exam will be held during finals week. The date for the exam will be arranged in class. You will be required to answer questions on the material presented by Professor Altshuler and by Professor Agan.

Reaction Paper: For the reaction paper you will read, summarize, and react to a current working paper (an unpublished economic research paper posted online) in public economics, broadly defined. One of the best sources of current working papers is the National Bureau for Economic Research (NBER) – you can sign up to receive weekly emails with a list of new working papers here: <http://www.nber.org/prefs/digest.pl>

The working paper does not need to be an NBER WP - a large list of working paper series can be found here: <https://econpapers.repec.org/paper/>, or you visit the websites of economists working in your field to see their recent working papers. You may also consult with Prof. Altshuler or Prof. Agan to get suggestions for working papers or to ask us if the one you found is appropriate.

This working paper does not need to be directly related to your research proposal, but you will get the most out of this assignment if it is.

The reaction paper should be 2-4 pages long and include:

- The title and authors of the working paper you are reacting to, as well as a link to where you found it
- A summary of the main research question, data (if applicable), methodology, and results/conclusion
- 2-3 paragraphs on how this working paper fits into the literature – what is the major literature it is directly related to? How does it contribute to this literature?
- 2-3 paragraph “reaction” to the working paper – is this contribution a strong one? Are there any weaknesses in the paper? What open questions remain about the topic/research question the paper addresses? How would you think about expanding on the contribution of the paper?

Please be careful about plagiarism, the reaction paper should be your own interpretation and reaction to the working paper, not just copying from the introduction or lit review section of the working paper.

This reaction paper can be turned in *anytime* during the semester, but no later than the last day of class (April 30th by noon) by uploading it to the appropriate assignment on Sakai.

Research proposal: Students will be required to develop a research proposal. Students may choose any topic in public economics, even those not explicitly covered in the course. However, all students are encouraged to consult with Professor Altshuler and/or Professor Agan for guidance in choosing topics.

The paper will have the form of a research proposal in public economics, such as one might submit as a grant request to a funding agency. The paper should 1) state the research question clearly, 2) explain how the question relates to other, resolved, questions and how it is different, 3) defend why the question is important enough to warrant attention, 4) review the existing literature on the topic, 5) sketch out a model that will allow you to answer the question, 6) identify what are likely to be the important theoretical and empirical problems to be overcome, 7) describe the data that could be used for analysis, and 8) conclude.

Some questions to include in the review of existing literature include:

- What questions have been addressed by other scholars and how do they relate to the proposed research?
- What are the problems or limitations of the previous research?
- What key questions are still unanswered?
- How will the proposed project contribute to the existing literature?

A two-page pre-proposal will be due on Thursday, March 22. The pre-proposal should briefly describe the research question (first page) and list articles that you intend to use as references (second page).

Background: To develop a good overview of the public economics field, students should have established a solid mastery of an advanced undergraduate text. Harvey S. Rosen and Ted Gayer, *Public Finance*, 10th edition, McGraw-Hill Publishers, is highly recommended. Students should have read through it by the end of the semester. Another undergraduate text that is also recommended is Jonathan Gruber, *Public Finance and Public Policy*, 5th edition, Worth Publishers.

For discrimination, students should have a good understanding of labor supply, labor demand and wage determination. These topics are covered in *Microeconomic Theory: Basic Principles and Extensions* by Walter Nicholson and Christopher Snyder or in *Labor Economics* by Pierre Cahuc, Andre Zylberberg and Stephane Carcillo (any edition).

Website: The course has a website at sakai.rutgers.edu. We will post updated reading lists and links to many of the readings there. It also has links to related resources elsewhere on the web.

Class Schedule (very tentative):

- Jan 18 Intro to the Class
- Jan 22 – Feb 22 Professor Altshuler lectures
- Feb 1 Paper presentation preferences due (via email)
- Feb 26 Student presentations of selected papers from Part 1
- March 1 – 19 Professor Agan lectures

- March 12 –16 Spring break
- March 22 Research pre-proposal due
- March 22 Student presentations of selected papers from Part 2
- March 26 – March 29 Professor Agan lectures
- April 2 Student presentations of selected papers from Part 1
- April 5 – 16 Professor Agan lectures
- April 19 Student presentations of selected papers from Part 2
- April 23 – 30 Student presentations of their research proposals
- April 30 Research proposals due and last day to submit reaction paper
- Finals period Final exam (date to be announced)

READING LIST

Where possible links are provided, but you should already be, or quickly become, familiar with how to find scholarly articles online.

Tip: add `proxy.libraries.rutgers.edu` to a link to a journal article in order to log-in to your Rutgers account and read the article off-campus., i.e. <http://www.sciencedirect.com/science/journal/0304405X> is the on-campus link for Journal of Financial Economics. Off-campus, you can use <http://www.sciencedirect.com.proxy.libraries.rutgers.edu/science/journal/0304405X> Most of the time that works. If not, it's usually due to the way the publisher configures the website, and you can look the title up in the Libraries catalog to get the full link.

References

Very good graduate level texts include:

- A. Atkinson and J. Stiglitz, *Lectures in Public Economics*, McGraw-Hill, 1980. Unfortunately this book is now out of print. I have a copy you can borrow.
- G. Myles, *Public Economics*, New York: Cambridge University Press, 1995.
- B. Salanié, *Economics of Taxation*, Cambridge: MIT Press, 2002.
- L. Kaplow, *The Theory of Taxation and Public Economics*, Princeton University Press, 2008.

An important source of survey articles is:

Various editors, *Handbook of Public Economics*, volumes 1-5, North-Holland.
(Note: Many of these articles are available on the course website.)

Other sources of review articles include:

- J. Mirrlees *et al.*, eds., *Dimensions of Tax Design: The Mirrlees Review*, Oxford University Press, 2010. <http://www.ifs.org.uk/mirrleesReview/dimensions>
- A. Auerbach and K. Smetters, eds., *The Economics of Tax Policy*, Oxford University Press, 2017.

Nice sets of lecture slides are available for some topics:

Public Economics Lectures (Raj Chetty) <http://www.rajchetty.com/lectures/>

Graduate Public Economics (Emmanuel Saez) <http://elsa.berkeley.edu/~saez/course/course.html>

Graduate Public Economics (Gabreile Zucman) <http://gabriel-zucman.eu/econ230/>

Graduate Public Economics (Alan Auerbach)
https://eml.berkeley.edu/~webfac/auerbach/e230a_f17/e230a_f17.shtml

PART 1: Economics of Taxation

I. THE THEORY AND MEASUREMENT OF TAX INCIDENCE

A. Tax Incidence, Preliminaries and Overview

Rosen, chapter 14.

D. Fullerton and G. Metcalf, "Tax Incidence," *Handbook of Public Economics*, vol. 4, Chapter 26. <http://www.sciencedirect.com/science/article/pii/S1573442002800052>

B. Partial Equilibrium Tax Incidence

Salanié, chapter 1.

*T. Besley and H. Rosen, "Sales Taxes and Prices: An Empirical Analysis," *National Tax Journal* 52, 1999.

*J. Doyle and K. Samphantharak, "\$2.00 Gas! Studying the Effects of a Gas Tax Moratorium," *Journal of Public Economics*, April 2008.

* J. Hastings and E. Washington, "The First of the Month Effect: New Evidence for the Optimal Timing of Food Stamp Benefits," *American Economic Journal: Economic Policy*, May 2010. <https://www.aeaweb.org/articles?id=10.1257/pol.2.2.142>

* J. Rothstein, "Is the EITC as Good as an NIT? Conditional Cash Transfers and Tax Incidence," *American Economic Journal: Economic Policy*, February 2010.

* W. Kopczuk, J. Marion, E. Muehlegger, and J. Slemrod, "Does Tax-Collection Invariance Hold? Evasion and the Pass-Through of State Diesel Taxes", NBER Working Paper 19410, September 2013. *American Economic Journal: Economic Policy*, Vol. 8, No. 2, May 2016. <https://www.aeaweb.org/articles?id=10.1257/pol.20140271>

* J. Cawley and D. Frisvold, "The Incidence of Taxes on Sugar-Sweetened Beverages: The Case of Berkeley, California," *Journal of Policy Analysis and Management*, Spring 2017, 303-326. <http://onlinelibrary.wiley.com/doi/10.1002/pam.21960/epdf>

* Y. Benzarti, D. Carloni, J. Harju, and T. Kosonen, "What Goes Up May Not Come Down: Asymmetric Incidence of Value-Added Taxes," 2017. http://conference.nber.org/confer//2017/SI2017/PE/Benzarti_Carloni_Harju_Kosonen.pdf

C. General Equilibrium Tax Incidence

Myles, chapter 8, pages 236-24.

- A. Harberger, "The Incidence of the Corporation Income Tax", *Journal of Political Economy*, June 1962. (Reprinted in *Taxation and Welfare*, 1974.)
- D. Fullerton and C. Ta, "Public Finance in a Nutshell: A Cobb Douglas Teaching Tool for General Equilibrium Tax Incidence and Excess Burden," *National Tax Journal*, March 2017, 70 (1), 155-170.
- A. Auerbach, "Who Bears the Corporate Tax? A Review of What We Know" in J. Poterba, ed., *Tax Policy and the Economy* 20, 2006, 1-40.
- K. Clausing, "Who Pays the Corporate Tax in a Global Economy," *National Tax Journal*, March 2013, 66 (1), 151–184.
- * C. Fuest, A. Peichl, and S. Siegloch, "Do Higher Corporate Taxes Reduce Wages? Micro Evidence from Germany" forthcoming, *American Economic Review*. <https://www.cesifo-group.de/DocDL/wp-2017-241-fuest-peichl-siegloch-corporate-taxes.pdf>
- * J.C. Suárez Serrato and O. Zidar, "Who Benefits from State Corporate Tax Cuts? A Local Labor Markets Approach with Heterogeneous Firms," *American Economic Review*, Vol 106, No. 9, 2016. <https://www.aeaweb.org/articles?id=10.1257/aer.20141702>
- D. Capitalization and the Asset Price Approach
 - L. Summers, "The Asset Price Approach to the Analysis of Capital Income Taxation," *Proceedings of the National Tax Association*, 1983, 112-120.
 - * J. Friedman, "The Incidence of the Medicare Prescription Drug Benefit: Using Asset Prices to Assess Its Impact on Drug Makers," Harvard KSG Working Paper, 2009.
 - * L. Linden and J. Rockoff, "There Goes the Neighborhood? Estimates of the Impact of Crime Risk on Property Values from Megan's Laws," *American Economic Review*, 98(3): 1103-1127, 2008.
 - * D. Lyon, "The Effect of the Investment Tax Credit on the Value of the Firm," *Journal of Public Economics*, 38(2), March 1989, 227-247.
 - * J. Poterba, "Tax Subsidies to Owner-Occupied Housing: An Asset Market Approach," *Quarterly Journal of Economics*, 99(4), November 1984, 729-752.

II. EFFICIENCY COST OF TAXATION

A. Overview

Rosen, chapter 15.

Salanié, chapter 2.

- A. Auerbach and J. Hines, "Taxation and Economic Efficiency," *Handbook of Public Economics*, vol. 3, Chapter 21; Sections 1-2.
- D. Fullerton, "Reconciling Recent Estimates of the Marginal Welfare Cost of Taxation," *American Economic Review*, March 1991, pages 302-308.
- C. Ballard and D. Fullerton, "Distortionary Taxes and the Provision of Public Goods," *Journal of Economic Perspectives*, Summer 1992, pages 117-131.
- 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.
- N. Hendren, "The Policy Elasticity," *Tax Policy and the Economy*, 2016, 51-89.
<http://www.journals.uchicago.edu/doi/pdfplus/10.1086/685593>

B. Applications

- * J. Marion and E. Muehlegger, "Measuring Illegal Activity and the Effects of Regulatory Innovation: Tax Evasion and the Dyeing of Untaxed Diesel," *Journal of Political Economy*, 2008.
- * A. Goolsbee, "The Value of Broadband and the Deadweight Loss of Taxing New Technologies," *Contributions to Economic Analysis & Policy* (B.E. Press Journals), 5(1), 2006.

C. Response of taxable income to tax rates

- M. Feldstein, "The Effect of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform Act," *Journal of Political Economy*, 103 No. 3 (June, 1995): 551-72.
- J. Slemrod, "Methodological Issues in Measuring and Interpreting Taxable Income Elasticities," *National Tax Journal*, 51 No. 4 (December, 1998): 773-88.
- 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*, Vol. 50(1), pages 3-50, March 2009.
- J. Gruber and E. Saez, "The Elasticity of Taxable Income: Evidence and Implications," *Journal of Public Economics*, 84 No. 1 (April, 2002): 1-32.
- W. Kopczuk, "Tax Bases, Tax Rates and the Elasticity of Reported Income," *Journal of Public Economics* 89, December 2005, 2093-2119.
- R. Chetty. "Is the Taxable Income Elasticity Sufficient to Calculate Deadweight Loss? The Implications of Evasion and Avoidance," *American Economic Journal: Economic Policy*, 1(2), 2009.

- * T. Piketty, E. Saez, and S. Stantcheva, "Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities," *American Economic Journal: Economic Policy*, Vol. 6, No. 1, February 2014, <https://www.aeaweb.org/articles?id=10.1257/pol.6.1.230>
- * H. Kleven, C. Landais, and E. Saez, "Taxation and International Mobility of Superstars: Evidence from the European Football Market," *American Economic Review*, 103(5): 1892-1924.
- * M. Devereux, L. Liu and S. Loretz, "The Elasticity of Corporate Taxable Income: New Evidence from UK Tax Records," *American Economic Journal: Economic Policy*, Vol. 6, No. 2, May 2014. <https://www.aeaweb.org/articles?id=10.1257/pol.6.2.19>

III. TAX SALIENCE

- R. Chetty, A. Looney, and K. Kroft. "Salience and Taxation: Theory and Evidence," *American Economic Review* 99(4): 1145-1177, 2009.
- J. Goldin, "Optimal Tax Salience," *Journal of Public Economics*, November 2015, 115-123.
<http://www.sciencedirect.com/science/article/pii/S004727271500153X>
- * A. Finkelstein, "EZ-Tax: Tax Salience and Tax Rates." *Quarterly Journal of Economics* 124(3): 969-1010, 2009.
- * J. Goldin and T. Homonoff "Smoke Gets in Your Eyes: Cigarette Tax Salience and Regressivity," *American Economic Journal: Economic Policy*, 5(1): 302-36, February 2013.
<https://www.aeaweb.org/articles?id=10.1257/pol.5.1.302>

IV. OPTIMAL TAXATION

A. Overview and introduction

Rosen, chapter 16.

Salanié, chapters 2-7.

A. Auerbach, "The Theory of Excess Burden and Optimal Taxation," in *Handbook of Public Economics*, vol. 1.

J. Slemrod, "Optimal Taxation and Optimal Tax Systems," *Journal of Economic Perspectives*, Vol. 4, No. 1, Winter 1990.

B. Optimal Commodity Taxation

Myles, Chapter 4.

Salanié, chapter 3.

Auerbach and Hines, section 3.

C. Optimal Income Taxation

Myles, Chapter 5.

Auerbach and Hines, section 4.

E. Saez, "Using Elasticities to Derive Optimal Income Tax Rates", *Review of Economic Studies*, January 2001, 205-229.

D. Application: Tax Reform

P. Diamond and E. Saez, "The Case for a Progressive Tax: From Basic Research to Policy Recommendations," *Journal of Economic Perspectives*, Fall 2011, 165-190.

V. SAVING AND PORTFOLIO CHOICE

A. Overviews

Rosen, chapter 18.

D. Bernheim, "Taxation and Saving," *Handbook of Public Economics*, vol. 3, Ch18; Sections 2-3.

J. Poterba, "Taxation, Risk-Taking, and Household Portfolio Behavior," *Handbook of Public Economics*, vol. 3, chapter 17.

B. Optimal Taxation of Saving and the Choice of Tax Base

Auerbach and Hines, "Taxation and Economic Efficiency," *Handbook of Public Economics*, vol. 3, Chapter 21, Section 7.

D. Altig, A. Auerbach, L. Kotlikoff, K. Smetters, and J. Walliser, "Simulating Fundamental Tax Reform in the U.S.," *American Economic Review*, June 2001, 574-595.

A. Erosa and M. Gervais, "Optimal Taxation in Life-Cycle Economies," *Journal of Economic Theory*, August 2002, 338-369.

J. Conesa, S. Kitao, and D. Krueger, 2009, "Taxing Capital? Not a Bad Idea after All!" *American Economic Review*, March 2009, 25-48.

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*, Harvard University Press, Chapter 2, 13-46, 2008.

J. Banks and P. Diamond, "The Base for Direct Taxation," in J. Mirrlees et al., eds., *Dimensions of Tax Design*, Institute for Fiscal Studies, Chapter 6, 548-648, 2010.

C. Portfolio Choice

* L. Kawano, "The Dividend Clientele Hypothesis: Evidence from the 2003 Act," *American Economic Journal: Economic Policy*, February 2014.

D. Tax-Favored Saving

* R. Dammon, C. Spatt, and H. Zhang, Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, *Journal of Finance*, June 2004, 999-1037.

* A. Gelber. How Do 401(k)s Affect Saving? Evidence from Changes in 401(k) Eligibility, September 2009. *American Economic Journal: Economic Policy*, November 2011.

* Gabriel Carroll, James Choi, David Labison, Brigitte Madrian, and Andrew Metrick, "Optimal Defaults and Active Decisions," *Quarterly Journal of Economics*, November 2009, 1639-1674

* R. Chetty, J. Friedman, S. Leth-Petersen, and T. Nielsen, "Active vs. Passive Decisions and Crowd-out in Retirement Savings: Evidence from Denmark," *Quarterly Journal of Economics*, 129, 1141-1219, August 2014

E. The Behavior of High-Income Individuals: Taxation of Capital Gains and Estates

* A. Auerbach and J. Siegel, "Capital Gains Realizations of the Rich and Sophisticated," *American Economic Review*, May 2000, 276-282.

* A. Goolsbee, "What Happens When You Tax the Rich? Evidence from Executive Compensation," *Journal of Political Economy*, 108 No. 2 (April, 2000): 352-78.

* Z. Ivković, J. Poterba, and S. Weisbenner, "Tax-Motivated Trading by Individual Investors," *American Economic Review*, December 2005, 1605-1630.

W. Kopczuk, "Taxation of Intergenerational Transfers and Wealth," *Handbook of Public Economics*, vol. 5, Chapter 6.

F. Shifting of Capital and Labor Income

R. Gordon and J. Slemrod, "Are 'Real' Responses to Taxes Simply Income Shifting Between Corporate and Personal Tax Bases?" in J. Slemrod (ed.), *Does Atlas Shrug? The Economic Consequences of Taxing the Rich*, (Cambridge and New York: Harvard University Press and the Russell Sage Foundation, 2000) pp. 240-80.

* Christiansen, Vidar and Matti Tuomala. "On taxing capital income with income shifting," *International Tax and Public Finance*, Vol. 15, 2008, 527-545.

T. Piketty and E. Saez, "Optimal Labor Income Taxation," *Handbook of Public Economics*, volume 5.

* Pirttila, Jukka, and Hakan Selin, 2011. "Income Shifting within a Dual Income Tax System: Evidence from the Finnish Tax Reform of 1993," *Scandinavian Journal of Economics*, 113(1), 120-144.

VI. CORPORATE TAXATION, FINANCE AND INVESTMENT

A. Overviews

Rosen, chapter 19.

A. Auerbach, "Taxation and Corporate Financial Policy," *Handbook of Public Economics*, vol. 3, Chapter 19.

K. Hassett and G. Hubbard, "Tax Policy and Business Investment," *Handbook of Public Economics*, vol. 3, Chapter 20.

B. Corporate Financial Policy

A. Auerbach and K. Hassett, "On the Marginal Source of Investment Funds," *Journal of Public Economics*, January 2003, 205-232.

* R. Chetty and E. Saez, "Dividend Taxes and Corporate Behavior: Evidence from the 2003 Dividend Tax Cut," *Quarterly Journal of Economics*, August 2005, 791-833.

C. Investment Behavior

* N. Bloom, R. Griffith, and J. Van Reenen, "Do R&D Tax Credits Work? Evidence from a Panel of Countries 1979-1997," *Journal of Public Economics*, July 2002, 1-31.

* J. Cullen and R. Gordon, "Taxes and Entrepreneurial Risk-Taking: Theory and Evidence for the U.S.," *Journal of Public Economics*, August 2007, 1479-1505.

* C. House and M. Shapiro, "Temporary Investment Tax Incentives: Theory with Evidence from Bonus Depreciation," *American Economic Review*, June 2008, 737-768.

* D. Yagan, "Capital Tax Reform and the Real Economy: The Effects of the 2003 Dividend Tax Cut." *American Economic Review*, Vol. 105, No. 12, 2015
<https://www.aeaweb.org/articles?id=10.1257/aer.20130098>

* E. Zwick and J. Mahon, Tax Policy and Heterogeneous Investment Behavior, *American Economic Review*, 2017, 107(1): 217-248.
<https://www.aeaweb.org/articles?id=10.1257/aer.20140855>

D. International Tax and Tax Competition

- R. Gordon and J. Hines, "International Taxation," *Handbook of Public Economics*, vol. 4, Chapter 28.
- R. Gordon, "Can Capital Income Taxes Survive in Open Economies?" *Journal of Finance*, July 1992, 1159-1180.
- M. Keen and K. Konrad, "The Theory of International Tax Competition and Coordination," *Handbook of Public Economics*, vol. 5, Chapter 5.
- D. Hartman, "Tax Policy and Foreign Direct Investment," *Journal of Public Economics*, 26, 1985, pp. 107-121.
- R. Altshuler and H. Grubert "Repatriation Taxes, Repatriation Strategies and Multinational Financial Policy," *Journal of Public Economics*, Volume 87(1), January 2003, 73-107.
- R. Altshuler, H. Grubert and S. Newlon, "Has U.S. Investment Abroad Become More Sensitive to Tax Rates?" in *International Taxation and Multinational Activity*, edited by James Hines, Jr., University of Chicago Press, 2001, 9-32.
- R. Altshuler and T. Goodspeed, "Follow the Leader? Evidence on European and U.S. Tax Competition," *Public Finance Review*, Vol 43, No. 4, 2014.
<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.840.4456&rep=rep1&type=pdf>
- * M. Devereux, B. Lockwood and M. Redoano, "Do Countries Compete over Corporate Tax Rates," *Journal of Public Economics*, 92 (5-6), June 2008, pages 1210-1235.
- * D. Dharmapala, F. Foley, and K. Forbes, "Watch What I Do, Not What I Say: The Unintended Consequences of the Homeland Investment Act," *Journal of Finance*, Vol. 66, No. 3, 2011.
- *J. R. Hines, Jr., "Altered States: Taxes and the Location of Foreign Direct Investment in America." *American Economic Review*, 86(5): 1076-1094, 1996.

PART 2: Topics in Social Welfare

VII. ANTI-POVERTY PROGRAMS

A. EITC

- J. Hotz and K. Scholz, "The Earned Income Tax Credit", in *Means-Tested Transfer Programs in the United States*, R. Moffitt (ed.), The University of Chicago Press and NBER, 2003, 141-197
- N. Eissa and J. Liebman. 2014. "Labor Supply Response to the Earned Income Tax Credit", *Quarterly Journal of Economics* 111 (1996), 605-637

- *Eissa, Nada and Hilary Hoynes. 2006. "Behavioral Responses to Taxes: Lessons from the EITC and Labor Supply", *Tax Policy and the Economy* 20
- Rothstein, Jesse. "Is the EITC as Good as an NIT? Conditional Cash Transfers and Tax Incidence," *American Economic Journal: Economic Policy* 2(1): 177-208.
- *J. Grogger "The Effects of Time Limits, the EITC, and Other Policy Changes on Welfare Use, Work, and Income Among Female-Headed Families", *Review of Economics and Statistics*, 2004.
- *Neumark, David and William Wascher. 2001. "Using the EITC to Help Poor Families: New Evidence and a Comparison with the Minimum Wage," *National Tax Journal* 54(2): 281-317
- *Pilkauskas, Natasha and Katherine Micheltore. 2017. "Does the Earned Income Tax Credit Reduce Housing Instability?" Working Paper, available at: <http://poverty.umich.edu/wp-content/uploads/sites/55/2017/08/wp-01-17-eitc-housing-instability.pdf>

B. Minimum Wage

- Allegretto, Sylvia, Arinjdrajit Dube, Michael Reich, and Ben Zipperer. 2017. "Credible Research Designs for Minimum Wage Studies: A Response to Neumark, Salas, and Wascher, " *ILR Review* 70(3)
- Dube, Arindrajit, William Lester, and Michael Reich. 2010. "Minimum wage effects across state borders: Estimates using contiguous counties," *Review of Economics and Statistics* 92(4): 945-964.
- Neumark, David, J.M. Ian Salas, and William Wascher. 2014. "Revisiting the Minimum Wage-Employment Debate: Throwing out the Baby with the Bathwater?," *ILR Review* 67(2.5): 608-648.
- Neumark, David and William Wascher. 2017. "Reply to Credible Research Designs for Minimum Wage Studies" *ILR Review* 70(3)
- *Jardim, Ekaterina, Mark C. Long, Robert Plotnick, Emma van Inwegen, Jacob Vigdor and Hilary Wething. 2017. "Minimum Wage Increases, Wages, and Low-Wage Employment: Evidence from Seattle". NBER Working Paper No. 23532
- *Meer, Jonathan and Jeremy West. 2016. "Effects of the Minimum Wage on Employment Dynamics," *Journal of Human Resources*, 51(2): 500-522.
- *Clemens, Jeffrey and Michael Wither. 2016. "The Minimum Wage and the Great Recession: Evidence of Effects on Employment and Income Trajectories of Low-Skilled Workers" NBER Working Paper No. 20724

C. In-Kind Transfers (SNAP/Food Stamps, Housing Vouchers, Head Start)

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