

Paris School of Economics – Master APE and PPD – 2025-2026

Public Economics

Syllabus

Antoine Bozio, Julien Grenet, Thomas Piketty and Gabriel Zucman

Lecture period: First Semester (September-December 2025).

Lecturers:

- Antoine Bozio, `antoine.bozio(at)psemail.eu`
- Julien Grenet, `julien.grenet(at)psemail.eu`
- Thomas Piketty, `piketty(at)psemail.eu`
- Gabriel Zucman, `gabriel.zucman(at)psemail.eu`

Language of the course: English.

Practical Information

Course timetable: There will be 36 hours of lectures, split into 24 sessions of 90 minutes, on Tuesday and Wednesday from 9:15am to 10:45am.

Lecture's room: Campus Jourdan – R2-21 (except for sessions Dec. 9 and 10, in R1-09)

Course website: <https://pse.konosys.com/konosys/>

Tutorials: TA Alba Vazquez García, `alba.vazquezgarcia(at)psemail.eu`.

There will be three tutorials based on three problem sets. All three should be handed over but only the last two will be marked.

Content

The objective of this course is to present an introduction to public economics, with special emphasis on taxation, public spending, normative theories of government intervention and redistribution, and the incidence of tax and transfer policies, both in developed countries and in the developing world.

Related Courses at PSE

- **Introduction to Economic History** (Thomas Piketty): for an introduction to economic history, with emphasis on capital accumulation, inequality and growth.
- **Economics of public intervention** (Philippe Gagnepain and Stéphane Gauthier): a focus on how a public authority regulates the behavior of firms and ensures that competition law is applied adequately.
- **Ageing and Public Policy** (Antoine Bozio): for a more advanced course on the economics of pensions, and elderly care.

Requirements and Assessment

To validate the course, students are required to:

1. attend all lectures and actively participate in class;
2. submit three problem sets in tutorials;
3. take the final exam.

The reading list contains many references. The aim is to provide an introduction to the existing literature for students who plan to specialize in these areas. You are not expected to read everything!

You should read at least the “highly recommended readings” (denoted by a *), as well as a selection of books and articles based on your own tastes. But please read!

Assessment will rely on a sit-down exam at the end of term, counting for 80% of the final grade and on grades of two problem sets (20% of the final grade). The exam will be based upon a good working knowledge of all the material that is presented in the lecture slides and in the tutorials.

General References

Undergraduate-level textbooks

Gruber (2016), Rosen & Gayer (2008) and Stiglitz & Gayer (2015) are three good undergraduate-level textbooks in public finance. Gruber (2016) is highly recommended, as it puts more emphasis on empirical work.

- Gruber, J. (2016). *Public Finance and Public Policy*, 5th edition, Worth Publishers.
- Rosen, H. and Gayer, T. (2014). *Public Finance*, 10th edition, McGraw-Hill.
- Stiglitz, J. and Rosengard, J. (2015). *Economics of the Public Sector*, 4th edition, W. W. Norton & Company.

Graduate-level books

A classic advanced textbook on the economics of taxation is Atkinson and Stiglitz (1980), dated but still very good; it has recently been reprinted (2015). Kaplow (2008) presents an integrated view of tax policy applying the ideas of optimal taxation to a range of policy questions. Myles (2008) offers a more detailed graduate-level presentation of the theory of public economics. Salanié (2011) is a good short technical and more modern alternative, with a focus on optimal taxation. Mirrlees et al. (2010a and 2010b) present a thorough literature review of the theory and empirics of taxation, with a focus on the U.K. institutional design.

- Atkinson, A. and Stiglitz, J. (1980), *Lectures on Public Economics*, McGraw-Hill ; reprinted by Princeton University Press (2015).
- Kaplow, L. (2008). *The Theory of Taxation and Public Economics*, Princeton University Press.
- Mirrlees et al. (2010a), *Dimensions of Tax Design: The Mirrlees Review*, Oxford University Press. [\[link\]](#)
- Mirrlees et al. (2010b), *Tax By Design: The Mirrlees Review*, Oxford University Press. [\[link\]](#)
- Myles, G. (2008). *Public Economics*, Cambridge University Press.
- Salanié, B. (2011), *The Economics of Taxation*, MIT Press [Older French version *Théorie économique de la fiscalité*, Economica, 2002].

Handbooks

Besides the public finance textbooks, the series of *Handbook of Public Economics* are a must-read for graduate students in public economics. There are currently five published volumes, each including widely-quoted chapters:

- Auerbach, A. and Feldstein M. (1985). *Handbook of Public Economics*, vol. 1, Elsevier. [\[link\]](#)
- Auerbach, A. and Feldstein M. (1987). *Handbook of Public Economics*, vol. 2, Elsevier. [\[link\]](#)
- Auerbach, A. and Feldstein M. (2002). *Handbook of Public Economics*, vol. 3, Elsevier. [\[link\]](#)
- Auerbach, A. and Feldstein M. (2002). *Handbook of Public Economics*, vol. 4, Elsevier. [\[link\]](#)
- Auerbach, A., Chetty, R., Feldstein M. and Saez, E. (2013). *Handbook of Public Economics*, vol. 5, Elsevier. [\[link\]](#)

Course Outline and References

1.A Introduction to Public Economics (AB)

- [Atkinson and Stiglitz], chap 1 and 11.
- Acemoglu, D., Johnson, S. and Robinson, J. (2001). “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*, 91(5), pp. 1369-1401. [\[pdf\]](#)
- Adema, W., Fron, P. and Ladaïque, M. (2011). “Is the European Welfare State Really More Expensive? Indicators on Social Spending, 1980-2012; and a Manual to the OECD Social Expenditure Database (SOCX),” OECD Social, Employment and Migration Working Papers, No. 124. [\[pdf\]](#)
- Delalande, N. (2011). *Les batailles de l'impôt: consentement et résistance de 1789 à nos jours*, Le Seuil.
- Dreze, J. (1995). “Forty Years of Public Economics: A Personal Perspective,” *Journal of Economic Perspectives* 9(2), pp. 111–130. [\[pdf\]](#)
- Castles, F., Leibfried, S., Lewis, J., Obinger, H. and Pierson, C. (eds.) (2010). *The Oxford Handbook of the Welfare State*, Oxford University Press.
- Greif, A. (1993). “Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition,” *American Economic Review*, 83(3), pp. 525-548. [\[pdf\]](#)

- * Finkelstein, A. and Hendren, N. (2020) “Welfare Analysis Meets Causal Inference” *Journal of Economic Perspectives* 34 (4): 146–167. [\[pdf\]](#)
- Hendren, N. (2016) “The Policy Elasticity” *Tax Policy and the Economy* 30, no. 1 (January 2016): 51–89.
- Hendren, N. and Sprung-Keyser, B. (2020) “A Unified Welfare Analysis of Government Policies” *The Quarterly Journal of Economics* 135, no. 3, pp. 1209–1318.
- Hendren, N. and Sprung-Keyser, B. (2022) “The Case for Using the MVPF in Empirical Welfare Analysis”, working paper.
- * Kleven, H. (2014). “How Can Scandinavians Tax So Much?,” *Journal of Economic Perspectives* 28(4), pp. 77–98. [\[pdf\]](#)
- Kleven, H., Kreiner, C. and Saez, E. (2016). “Why Can Modern Governments Tax So Much? An Agency Model of Firms as Fiscal Intermediaries,” *Economica* 83 (330), pp. 219–246. [\[pdf\]](#)
- Lindert, P. (2004). *Growing Public: Social Spending and Economic Growth since the Eighteenth Century*, Cambridge University Press.
- Martin, I., Merhotra, A. and Pasad, M. (2009). *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective*, Cambridge University Press.
- Piketty, T. (2014). *Capital in the Twenty-First Century*, Harvard University Press, chap. 13. [\[pdf\]](#)
- Rosanvallon, P. (2015). *Le bon gouvernement*, Le Seuil.
- Tanzi, V. and Schuknecht, L. (2000). *Public Spending in the 20th Century. A Global Perspective*, Cambridge University Press, Cambridge (chapter I). [\[pdf\]](#)

1.B Tools of Welfare Analysis (JG)

- [Atkinson and Stiglitz], chap. 6, 7 and 11.
- [Gruber], chap. 2, 3, 19 and 20.
- [Rosen and Gayer], chap. 3 and 18.
- [Stiglitz and Rosengard], chap. 3 and 4.
- * Auerbach, A. (1985). “The Theory of Excess Burden and Optimal Taxation,” in Auerbach, A. and Feldstein, M. (eds) *Handbook of Public Economics*, vol. 3., chap. 2. [\[pdf\]](#)
- Carbonnier, C. (2007). “Who Pays Sales Taxes? Evidence from French VAT Reforms, 1987–1999,” *Journal of Public Economics*, 91(5-6), pp. 1219–29. [\[pdf\]](#)
- * Cohen, P., Hahn, R., Hall, J., Levitt, S. and Metcalfe, R. (2016). “Using Big Data to Estimate Consumer Surplus: The Case of Uber,” NBER Working Paper No. 22627. [\[pdf\]](#)
- Fullerton, D. and Metcalf, G. (2002). “Tax Incidence,” in Auerbach, A. and Feldstein, M. (eds), *Handbook of Public Economics*, vol. 4., chap. 26. [\[pdf\]](#)
- Glaeser, E. and Luttmer, E. (2003). “The Misallocation of Housing Under Rent Control,” *American Economic Review*, 93(4), pp. 1027–1046. [\[pdf\]](#)
- Hines, J. (1999), “Three Sides of Harberger Triangles,” *Journal of Economic Perspectives*, 13(2), pp. 167–188. [\[pdf\]](#)

- Kotlikoff, L. and Summers, L. (1987), “Tax Incidence” in Auerbach, A. and Feldstein, M. (eds) *Handbook of Public Economics*, North Holland, Vol. 2, pp. 1043–92. [\[pdf\]](#)
- * Marion, J. and Muehlegger, E. (2008). “Measuring Illegal Activity and the Effects of Regulatory Innovation: Tax Evasion and the Dyeing of Untaxed Diesel,” *Journal of Political Economy*, 116(4), pp. 633–666. [\[pdf\]](#)

2. Externalities (JG)

- [Gruber], chap. 5, 6 and 8.
- [Rosen and Gayer], chap. 5.
- [Stiglitz and Rosengard], chap. 6.
- Brookshire, D., Thayer, M., Schulze, W. and d’Arge, R. (1982). “Valuing Public Goods: A Comparison of Survey and Hedonic Approaches,” *American Economic Review*, 72(1), pp. 165–177. [\[pdf\]](#)
- Bruvold, A. and Larsen, B. (2004). “Greenhouse Gas Emissions in Norway: do Carbon Taxes Work?,” *Energy Policy*, 32(4), pp. 493– 505. [\[pdf\]](#)
- * Chancel, L. and Piketty, T. (2015). “Carbon and Inequality: from Kyoto to Paris. Trends in the Global Inequality of Carbon Emissions (1998–2013) and Prospects for an Equitable Adaptation Fund,” PSE working paper. [\[pdf\]](#)
- * Chay, K. and Greenstone, M. (2005). “Does Air Quality Matter? Evidence from the Housing Market,” *Journal of Political Economy*, 113(2), pp. 376–424. [\[pdf\]](#)
- Coase, R. (1960). “The Problem of Social Cost,” *Journal of Law and Economics*, 3, pp. 1–44. [\[pdf\]](#)
- Currie, J., Davis, L., Greenstone, M. and Walker, E. (2015). “Environmental Health Risks and Housing Values: Evidence from 1,600 Toxic Plant Openings and Closings,” *American Economic Review*, 105(2), pp. 678–709. [\[pdf\]](#)
- Diamond, P. and Hausman, J. (1994). “Contingent Valuation: Is Some Number Better than No Number?,” *Journal of Economic Perspectives*, 8, pp. 45–64. [\[pdf\]](#)
- Fullerton, D. (2011). “Six Distributional Effects of Environmental Policy,” *Risk Analysis*, 31(6), pp. 923–929. [\[pdf\]](#)
- Linden, L. and Rockoff, J. (2008). “Estimates of the Impact of Crime Risk on Property Values from Megan’s Laws,” *American Economic Review*, 98(3), pp. 1103–1127. [\[pdf\]](#)
- * Metcalf, G. (2009). “Market-Based Policy Options to Control U.S. Greenhouse Gas Emissions,” *Journal of Economic Perspectives*, 23(2), pp. 5–27. [\[pdf\]](#)
- Moretti, E. and Neidell, M. (2011). “Pollution, Health, and Avoidance Behavior: Evidence from the Ports of Los Angeles,” *Journal of Human Resources*, 46(1), pp. 154–175. [\[pdf\]](#)
- Weitzman, M. (1974). “Prices vs. Quantities,” *Review of Economic Studies*, 41(4), pp. 477–491. [\[pdf\]](#)

3. Public Goods (JG)

- [Atkinson and Stiglitz], chap. 16.
- [Gruber], chap. 7 and 9.
- [Rosen and Gayer], chap. 4.
- [Stiglitz and Rosengard], chap. 5.
- Andreoni, J. (1988). “Why Free Ride? Strategies and Learning in Public Goods Experiments,” *Journal of Public Economics*, 37, pp. 291–304. [\[pdf\]](#)
- Andreoni, J. (1990). “Impure Altruism and Donations to Public Goods: A Theory of Warm Glow Giving,” *Economic Journal*, 100, pp. 464–477. [\[pdf\]](#)
- * Andreoni, J. (1993). “An Experimental Test of the Public Goods Crowding-Out Hypothesis,” *American Economic Review*, 83(5), pp. 1317–1327. [\[pdf\]](#)
- * Andreoni, J. and Payne, A. (2003). “Do Government Grants to Private Charities Crowd Out Giving or Fundraising?,” *American Economic Review*, 93(3), pp. 792–812. [\[pdf\]](#)
- Andreoni, J. and Payne, A. (2011). “Is Crowding Out due Entirely to Fundraising? Evidence from a Panel of Charities,” *Journal of Public Economics*, 95(5-6), pp. 334–343. [\[pdf\]](#)
- Arrow, K. (1951). *Social Choice and Individual Values*, Yale University Press. [\[pdf\]](#)
- Atkinson, A. and Stern, N. (1974). “Pigou, Taxation and Public Goods,” *Review of Economic Studies*, 41(1), pp. 119–128. [\[pdf\]](#)
- Bergstrom, T., Blume, L. and Varian, H. (1986). “On the Private Provision of Public Goods,” *Journal of Public Economics*, 29, pp. 25–49. [\[pdf\]](#)
- Kingma, B. (1989). “An Accurate Measurement of the Crowd-Out Effect, Income Effect, and Price Effect for Charitable Contributions,” *Journal of Political Economy*, 97, pp. 1197–1207. [\[pdf\]](#)
- * Fehr, E. and Gächter, S. (2000). “Cooperation and Punishment in Public Goods Experiments,” *American Economic Review*, 90(4), pp. 980–994. [\[pdf\]](#)
- Herrmann, B., Thöni, C. and Gächter, S. (2008). “Antisocial Punishment Across Societies,” *Science*, 319(5868), pp. 1362–1367. [\[pdf\]](#)
- Hungerman, D. (2005). “Are Church and State Substitutes? Evidence from the 1996 Welfare Reform,” *Journal of Public Economics*, 89, pp. 2245–67. [\[pdf\]](#)
- Isaac, R., McCue, K. and Plott, C. (1985). “Public Goods Provision in an Experimental Environment,” *Journal of Public Economics*, 26(1), pp. 51–74. [\[pdf\]](#)
- Johansen, L. (1963). “Some Notes on the Lindahl Theory of Determination of Public Expenditures,” *International Economic Review*, 4(3), pp. 346–358. [\[pdf\]](#)
- Lindahl, E. (1919). *Positive Lösung: Die Gerechtigkeit der Besteuerung*, Lund. Reprinted as “Just Taxation: A Positive Solution”, in Musgrave, R., and Peacock, A. (eds), *Classics in the Theory of Public Finance*, Palgrave Macmillan, London, 1958, pp. 168–176. [\[pdf\]](#)
- Marwell, G. and Ames, R. (1981). “Economists Free Ride, Does Anyone Else?,” *Journal of Public Economics*, 15, pp. 295–310. [\[pdf\]](#)

- Miguel, E. and Gugerty, M. (2005). “Ethnic Diversity, Social Sanctions, and Public Goods in Kenya,” *Journal of Public Economics*, 89(11-12), pp. 2325–68. [\[pdf\]](#)
- Roberts, R. (1984). “A Positive Model of Private Charity and Public Transfers,” *Journal of Political Economy*, 92(1), pp. 136–148. [\[pdf\]](#)
- Samuelson, P. (1954). “The Pure Theory of Public Expenditure,” *Review of Economics and Statistics*, 36(4), pp. 387–389. [\[pdf\]](#)

4. Taxation of Goods and Services (AB)

- [Atkinson and Stiglitz], chap. 6, 7 and 12.
- [Salanié], chap. 3.
- Besley, T. and Rosen, H. (1999). “Sales Taxes and Prices: An Empirical Analysis,” *National Tax Journal*, 52(2), pp. 157–178. [\[pdf\]](#)
- Benedek, D., De Mooij, R. A., Keen, M. and Wingender, P. (2020) “Varieties of VAT pass through” *International Tax and Public Finance*, vol. 27(4), pp. 890–930.
- Benzarti, Y., and Carloni, D. (2019). “Who Really Benefits From Consumption Tax Cuts? Evidence From a Large VAT Cut in France”, *AEJ: Economic Policy*, 11(1), pp. 38–63.
- Benzarti, Y., Carloni, D., Harju, J. and Kosonen, T. (2020). “What Goes Up May Not Come Down: Asymmetric Incidence of Value Added Taxes,” *Journal of Political Economy*, 128(12), pp. 4438–4474. [\[pdf\]](#)
- Benzarti, Y. (2025) “Tax Incidence Anomalies”, *Annual Review of Economics* Vol. 17, pp. 615–634. [\[pdf\]](#)
- Bernardino, T., Duque Gabriel, R., Quelhas, J. and Silva-Pereira, M. (2025) “The full, persistent, and symmetric pass-through of a temporary VAT cut”, *Journal of Public Economics*, Vol. 248, 105416.
- Carbonnier, C. (2007). “Who Pays Sales Taxes? Evidence from French VAT Reforms, 1987–1999,” *Journal of Public Economics*, 91(5-6), pp. 1219–29. [\[pdf\]](#)
- Crawford, I., Keen, M. and Smith, S. (2010). “Value-Added Tax and Excise,” in Mirrlees et al. (eds), *Dimensions of Tax Design: the Mirrlees Review*, Oxford University Press, chap. 4. [\[pdf\]](#)
- * Chetty, R., Looney, A. and Kroft, K. (2009). “Salience and Taxation: Theory and Evidence,” *American Economic Review*, 99(4), pp. 1145–77. [\[pdf\]](#)
- Corlett, W. and Hague, D. (1953). “Complementarity and the Excess Burden of Taxation,” *Review of Economic Studies*, 21(1), pp. 21–30. [\[pdf\]](#)
- Diamond, P. (1975). “A Many-Person Ramsey Tax Rule,” *Journal of Public Economics*, 4(4), pp. 335–342. [\[pdf\]](#)
- Keen, M. (2007). “VAT Attacks!,” *International Tax and Public Finance*, 14(4), pp. 365–381. [\[pdf\]](#)
- Kosonen, T. (2015). “More and Cheaper Haircuts after VAT Cut? On the Efficiency and Incidence of Service Sector Consumption Taxes,” *Journal of Public Economics*, 131, pp. 87–100. [\[pdf\]](#)
- Kopczuk, W., Marion, J., Muehlegger, E. and Slemrod, J. (2016). “Does Tax-Collection Invariance Hold? Evasion and the Pass-through of State Diesel Taxes,” *American Economic Journal: Economic Policy*, 8(2), pp. 251–286. [\[pdf\]](#)

- Laroque, G. (2005). “Indirect Taxation is Superfluous under Separability and Taste Homogeneity: A Simple Proof,” *Economic Letters*, 87, pp.141–144. [\[pdf\]](#)
- Pomeranz, D. (2015). “No Taxation without Information: Deterrence and Self-Enforcement in the Value Added Tax,” *American Economic Review*, 105(8), pp.2539–69. [\[pdf\]](#)
- Ramsey, F. (1927). “A Contribution to the Theory of Taxation,” *Economic Journal*, 37(145), pp.47–51. [\[pdf\]](#)
- Saez, E. (2002). “The Desirability of Commodity Taxation Under Non-Linear Income Taxation and Heterogeneous Tastes,” *Journal of Public Economics*, 83, pp.217–230. [\[pdf\]](#)

5. Labour Income Taxation (1) (AB)

- Alesina, A., Glaeser, E. and Sacerdote, B. (2005). “Work and Leisure in the United States and Europe: Why So Different?,” *NBER Macroeconomics Annual* 20, pp.1–64. [\[pdf\]](#)
- Atkinson, A., Piketty, T. and Saez, E. (2011). “Top Incomes in the Long Run of History”, *Journal of Economic Literature*, 49(1), pp.3–71. [\[pdf\]](#)
- Bianchi, M., Gudmundsson, B. and Zoega, G. (2001). “Iceland’s Natural Experiment in Supply-Side Economics,” *The American Economic Review* 91(5), pp.1564–79. [\[pdf\]](#)
- Blau, F. and Kahn, L. (2007). “Changes in the Labor Supply Behavior of Married Women: 1980-2000,” *Journal of Labor Economics*, 25(3), pp.393–438. [\[pdf\]](#)
- Blundell, R., Bozio, A. and Laroque, G. (2011). “Labour Supply and the Extensive Margin,” *American Economic Review*, 101(3), pp.482–486. [\[pdf\]](#)
- Blundell, R. and MaCurdy, T. (1999). “Labor Supply: a Review of Alternative Approaches,” in Ashenfelter, O., and Card, D. (eds), *Handbook of Labor Economics*, vol. 3A, chap. 27, Elsevier. [\[pdf\]](#)
- Bozio, A., Breda, T., Julien Grenet, G. and Guillouzouic, A. (2025) “Does Tax-Benefit Linkage Matter for the Incidence of Social Security Contributions?,” *Review of Economic Studies*, [\[pdf\]](#).
- * Chetty, R., Friedman, J., Olsen, T. and Pistaferri, L. (2011). “Adjustment Costs, Firms Responses, and Micro vs. Macro Labor Supply Elasticities: Evidence from Danish Tax Records,” *Quarterly Journal of Economics*, 126(2), pp.749–804. [\[pdf\]](#)
- Eissa, N. and Hoynes, H. (2004). “Taxes and the Labor Market Participation of Married Couples: the Earned Income Tax Credit,” *Journal of Public Economics*, 88, pp.1931–1958. [\[pdf\]](#)
- Eissa, N. and Liebman, J. (1996). “Labor Supply Response to the Earned Income Tax Credit,” *Quarterly Journal of Economics*, 111(2), pp.605–637. [\[pdf\]](#)
- Kleven, H. and Waseem, M. (2013). “Using Notches to Uncover Optimization Frictions and Structural Elasticities: Theory and Evidence from Pakistan”, *Quarterly Journal of Economics*, 128(2), pp.669–723. [\[pdf\]](#)
- Kleven, H. (2024) “The EITC and the Extensive Margin: A Reappraisal”, *Journal of Public Economics* 236, 1–28.
- Mankiw, G. and Weinzierl, M. (2010). “The Optimal Taxation of Height: A Case Study of Utilitarian Income Redistribution,” *American Economic Journal: Economic Policy*, 2(1), pp.155–176. [\[pdf\]](#)
- Martinez, I., Saez, E. and Siegenthaler, M. (2021). “Intertemporal Labor Supply Substitution? Evidence from the Swiss Income Tax Holidays”, *American Economic Review* 111(2), pp.506–546.

- Prescott, E. (2004), “Why Do Americans Work so Much More than Europeans?,” *Federal Reserve Bank of Minneapolis Quarterly Review*, 28(1), pp. 2–13. [\[pdf\]](#)
- Saez, E. (2010). “Do Taxpayers Bunch at Kink Points?,” *American Economic Journal: Economic Policy*, 2, pp.180–212. [\[pdf\]](#)
- Saez, E., Matsaganis, M. and Tsakloglou, P. (2012), “Earnings Determination and Taxes: Evidence From a Cohort-Based Payroll Tax Reform in Greece,” *The Quarterly Journal of Economics*, 127(1), pp.493–533. [\[pdf\]](#)
- Saez, E., Schoefer, B. and Seim, D. (2019) “Payroll Taxes, Firm Behavior, and Rent Sharing: Evidence from a Young Workers’ Tax Cut in Sweden” *American Economic Review* Vol. 109, No. 5, pp. 1717-63.
- * Saez, E., Slemrod, J. and Giertz, S. (2012). “The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review,” *Journal of Economic Literature*, 50(1), pp.3–50. [\[pdf\]](#)

6. Labour Income Taxation (2) (AB)

- [Salanié], chap. 4 and 9.
- Akerlof, G. (1978). “The Economics of ‘Tagging’ as Applied to the Optimal Income Tax,” *American Economic Review*, 68, pp. 8–19. [\[pdf\]](#)
- Besley, T. and Coate, S. (1992). “Workfare versus Welfare: Incentives Arguments for Work Requirements in Poverty-Alleviation Programs,” *American Economic Review*, Vol. 82, pp.249–261. [\[pdf\]](#)
- * Chetty, R., Friedman, J. and Saez, E. (2013) “Using Differences in Knowledge Across Neighborhoods to Uncover the Impacts of the EITC on Earnings”, *The American Economic Review* 103 (7): 2683–2721.
- Brewer, M., Saez, E. and Shephard, A. (2010). “Means Testing and Tax Rates on Earnings,” in Mirrlees et al. (eds), *Dimensions of Tax Design: the Mirrlees Review*, Oxford University Press, chap. 2. [\[pdf\]](#)
- Diamond, P. and Saez, E. (2011). “The Case for a Progressive Tax: From Basic Research to Policy Recommendations,” *Journal of Economic Perspectives*, 25(4), pp.165–190. [\[pdf\]](#)
- Feldstein, M. (1995). “The Effects of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform Act,” *Journal of Political Economy*, 103(3), pp.551–572. [\[pdf\]](#)
- Feldstein, M. (1999), “Tax Avoidance and the Deadweight Loss of the Income Tax,” *Review of Economics and Statistics*, 81(4), pp.674–680. [\[pdf\]](#)
- Goolsbee, A. (1999). “Evidence on the High-Income Laffer Curve from Six Decades of Tax Reform,” *Brookings Papers on Economic Activity*, 1999(2), pp.1–64. [\[pdf\]](#)
- Gruber, J. and Saez, E. (2002). “The Elasticity of Taxable Income: Evidence and Implications,” *Journal of Public Economics*, 84, pp.1–32. [\[pdf\]](#)
- Hoynes, H. and Patel, A. (2017) “Effective Policy for Reducing Poverty and Inequality? The Earned Income Tax Credit and the Distribution of Income”, *Journal of Human Resources*, 1115-7494R1.
- Kleven, H., Landais, C. and Saez, E. (2013). “Taxation and International Migration of Top Earners: Evidence from the Foreigner Tax Scheme in Denmark,” *American Economic Review*, 103(5), pp.1892–1924. [\[pdf\]](#)

- Kleven, H. and Schultz, E. (2014), “Estimating Taxable Income Responses using Danish Tax Reforms”, *American Economic Journal: Economic Policy*, 6(4), pp. 271–301. [\[pdf\]](#)
- Kleven, H., Kreiner, C. and Saez, E. (2009). “The Optimal Income Taxation of Couples,” *Econometrica*, 77, pp. 537–560. [\[pdf\]](#)
- Lehmann, E., Simula, L. and Trannoy, A. (2014). “Tax Me if You Can! Optimal Non-linear Income Tax between Competing Governments,” *Quarterly Journal of Economics*, 129(4), pp. 1995–2030. [\[pdf\]](#)
- Lundberg, S., Pollak, R. and Wales, T. (1997). “Do Husbands and Wives Pool Their Resources? Evidence from the United Kingdom Child Benefit,” *Journal of Human Resources*, 32(3), pp. 463–480. [\[pdf\]](#)
- Moffitt, R. (2002). “Welfare Programs and Labor Supply,” in Auerbach, A. and Feldstein, M. (eds), *Handbook of Public Economics*, vol. 4, chap. 34, Elsevier. [\[pdf\]](#)
- Mirrlees J. (1971). “An Exploration in the Theory of Optimum Income Taxation,” *Review of Economic Studies*, 38(2), pp. 175–208. [\[pdf\]](#)
- Piketty, T. (1997). “La redistribution fiscale face au chômage,” *Revue française d’économie*, 12, pp. 157–201. [\[pdf\]](#)
- * Piketty, T. and Saez, E. (2013), “Optimal Labor Income Taxation,” in Auerbach, A., Chetty, R., Feldstein, M. and Saez, E. (eds), *Handbook of Public Economics*, vol. 5, chap. 7, Elsevier. [\[pdf\]](#)
- Piketty, T., Saez, E. and Stantcheva, S. (2014). “Optimal Taxation of Top Labor Incomes: A Tale of Three Elasticities,” *American Economic Journal: Economic Policy*, 6(1), pp. 230–271. [\[pdf\]](#)
- Saez E. (2001). “Using Elasticities to Derive Optimal Income Tax Rates,” *Review of Economic Studies*, 68, pp. 205–229. [\[pdf\]](#)
- Saez E. (2002). “Optimal Income Transfer Programs: Intensive Versus Extensive Labor Supply Responses,” *Quarterly Journal of Economics*, 117(3), pp. 1039–1073. [\[pdf\]](#)

7. Normative and Intertemporal Theories of Social and Fiscal Justice (TP)

- [Atkinson and Stiglitz], chap. 10.
- Arrow, K. (1951). *Social Choice and Individual Values*, Yale University Press. [\[pdf\]](#)
- Kuziemko, L., Norton, M., Saez, E. and Stantcheva, S. (2015). “How Elastic are Preferences for Redistribution?,” *American Economic Review*, 105(4), pp. 1478–1508. [\[pdf\]](#)
- Kymlicka, W. (2002). *Contemporary Political Philosophy*, Oxford University Press.
- * Piketty, T. (1995). “Social Mobility and Redistributive Politics,” *Quarterly Journal of Economics*, 110(3), pp. 551–584. [\[pdf\]](#)
- * Piketty, T. (1999). “The Information-Aggregation Approach to Political Institutions,” *European Economic Review*, 43, pp. 791–800. [\[pdf\]](#)
- Spector, D. (2000). “Rational Debate Leads to One-Dimensional Conflict,” *Quarterly Journal of Economics*, 115(1), pp. 181–200. [\[pdf\]](#)
- Roemer, J., Lee, W. and Van der Straeten, K. (2005). “Xenophobia and the Size of the Public Sector in France: A Politico-economic Analysis,” *Journal of Economics*, 86(2), pp. 95–144. [\[pdf\]](#)

- Roemer, J., Lee, W. and Van der Straeten, K. (2006). “Racism, Xenophobia, and Redistribution,” *Journal of the European Economic Association*, 4(2–3), pp. 446–454. [\[pdf\]](#)
- Roemer, J., Lee, W. and Van der Straeten, K. (2007). *Racism, Xenophobia, and Distribution: Multi-Issue Politics in Advanced Democracies*, Harvard University Press.

8. Capital Income, Inheritance and Wealth Taxes over Time and across Countries (TP)

- Beckert, J. (2008). *Inherited Wealth*, Princeton University Press.
- Du Rietz, G., Henrekson, M. and Waldenström, D. (2015). “Swedish Inheritance and Gift Taxation (1885–2004),” in Henrekson, M. and Stenkula, M. (eds), *Swedish Taxation: Developments since 1862*, Palgrave, chap. 5 [\[pdf\]](#) [\[tables\]](#).
- Du Rietz, G. and Henrekson, M. (2015). “Swedish Wealth Taxation (1911–2007),” in Henrekson, M. and Stenkula, M. (eds), *Swedish Taxation: Developments since 1862*, Palgrave, chap. 6. [\[pdf\]](#) [\[tables\]](#)
- Fisher, I. (1919). “Economists in Public Service,” *American Economic Review*, 9(1), pp. 5–21. [\[pdf\]](#)
- * French and US recent inheritance and wealth tax schedules. [\[xls\]](#)
- Glennester, H. (2011). “A Wealth Tax Abandoned: The Role of UK Treasury 1974-1976,” CASE working paper No. 147. [\[pdf\]](#)
- Martin, I. (2008). *The Permanent Tax Revolt: How the Property Tax Transformed American Politics*, Stanford University Press.
- Martin, I. (2009). *After the Tax Revolt: California’s Proposition 13 Turns 30*, Institute of Governmental Studies Press.
- Martin, I. (2013). *Rich People’s Movements: Grassroots Campaigns to Untax the One Percent*, Oxford University Press.
- * Piketty, T. (2014). *Capital in the Twenty-First Century*, Harvard University Press, chap. 1. [\[pdf\]](#)
- Scheve, K. and Stasavage, D. (2011). “Democracy, War and Wealth: Evidence from Two Centuries of Inheritance Taxation,” *American Political Science Review*, 106(1), pp. 81–102. [\[pdf\]](#)

9. Social Insurance (JG)

- [Gruber], chap. 12–16.
- [Rosen and Gayer], chap. 11.
- [Stiglitz and Rosengard], chap. 16.
- Baily, M. (1978). “Some Aspects of Optimal Unemployment Insurance,” *Journal of Public Economics*, 10, pp. 379–402. [\[pdf\]](#)
- Bound, J. (1989). “The Health and Earnings of Rejected Disability Insurance Applicants,” *American Economic Review*, 79(3), pp. 482–503. [\[pdf\]](#)
- Card, D., Chetty, R. and Weber, A. (2007). “The Spike at Benefit Exhaustion: Leaving the Unemployment System or Finding a Job?,” *American Economic Review Papers and Proceedings*, 97(2), pp. 113–118. [\[pdf\]](#)

- Card, D. and McCall, B. (1996). “Is Workers’ Compensation Covering Uninsured Medical Costs? Evidence from the ‘Monday Effect’,” *Industrial and Labor Relations Review*, 49(4), pp. 690–706. [\[pdf\]](#)
- * Chetty, R. (2006). “A General Formula for the Optimal Level of Social Insurance,” *Journal of Public Economics*, 90, pp. 1879–1901. [\[pdf\]](#)
- Chetty, R. and Looney, A. (2006). “Consumption Smoothing and the Welfare Consequences of Social Insurance in Developing Economies,” *Journal of Public Economics*, 90, pp. 2351–56. [\[pdf\]](#)
- Chetty, R. and Looney, A. (2007). “Income Risk and the Benefits of Social Insurance: Evidence from Indonesia and the United States” in *Fiscal Policy and Management in East Asia*, NBER-EASE, vol. 16, pp. 99–121, National Bureau of Economic Research. [\[pdf\]](#)
- Chetty, R. and Szeidl, A. (2007). “Consumption Commitments and Risk Preferences,” *Quarterly Journal of Economics*, 122(2), pp. 831–877. [\[pdf\]](#)
- Finkelstein, A. and Poterba, J. (2004). “Adverse Selection in Insurance Markets: Policyholder Evidence from the U.K. Annuity Market,” *Journal of Political Economy*, 112, pp. 183–208. [\[pdf\]](#)
- * Gruber, J. (1997). “The Consumption Smoothing Benefits of Unemployment Insurance,” *American Economic Review*, 87, pp. 192–205. [\[pdf\]](#)
- Gruber, J. (2000). “Disability Insurance Benefits and Labor Supply,” *Journal of Political Economy*, 108(6), pp. 1162–83. [\[pdf\]](#)
- * Krueger, A. and Meyer, B. (2002). “Labor Supply Effects of Social Insurance,” in Auerbach, A. and Feldstein, M. (ed.), *Handbook of Public Economics*, vol. 4, chap. 33, Elsevier. [\[pdf\]](#)
- Meyer, B. (1990). “Unemployment Insurance and Unemployment Spells,” *Econometrica*, 58, pp. 757–782. [\[pdf\]](#)
- * Meyer, B., Viscusi, K. and Durbin, D. (1995). “Workers’ Compensation and Injury Duration: Evidence from a Natural Experiment,” *American Economic Review*, 85, pp. 322–340. [\[pdf\]](#)
- Miguel, E. (2005). “Poverty and Witch Killing,” *Review of Economic Studies*, 72(4), pp. 1153–72. [\[pdf\]](#)
- Parsons, D. (1980). “The Decline in Male Labor Force Participation,” *Journal of Political Economy*, 88(1), pp. 117–134. [\[pdf\]](#)
- Parsons, D. (1984). “Disability Insurance and Male Labor Force Participation: A Response to Haveman and Wolfe,” *Journal of Political Economy*, 92(3), pp. 542–549. [\[pdf\]](#)
- Rothschild, M. and Stiglitz, J. (1976). “Equilibrium in Competitive Insurance Markets: An Essay on the Economics of Imperfect Information,” *Quarterly Journal of Economics*, 90(4), pp. 629–650. [\[pdf\]](#)
- Spinnewijn, J. (2015). “Unemployed but Optimistic: Optimal Insurance Design with Biased Beliefs,” *Journal of the European Economic Association*, 13(1), pp. 130–167. [\[pdf\]](#)

10. International Tax Competition and Profit Shifting (GZ)

- Barake, M., P.-E. Chouc, T. Neef, and G. Zucman (2021), “Collecting the Tax Deficit of Multinational Companies: Simulations for the European Union”, EU Tax Observatory Report # 1. [\[pdf\]](#)
- Bilicka, K. (2019), “Comparing UK Tax Returns of Foreign Multinationals to Matched Domestic Firms,” *American Economic Review*, 109(8): 2921–2953. [\[pdf\]](#)
- Clausing, K. (2003), “Tax-motivated Transfer Pricing and US Intrafirm Trade Prices” *Journal of Public Economics*, 87, pp. 2207–2223. [\[pdf\]](#)
- Dharmapala D., and N. Riedel (2013), “Earnings Shocks and Tax-Motivated Income-Shifting: Evidence from European Multinationals,” *Journal of Public Economics*, 97, pp. 95–107. [\[pdf\]](#)
- Garcia-Bernardo, J., P. Jansky and G. Zucman (2022), “Did the Tax Cuts and Jobs Act Reduce Profit Shifting by US Multinational Companies?,” NBER working paper #30086. [\[pdf\]](#)
- Gordon, R. and J. D. Wilson (1986), “An Examination of Multijurisdiction Corporate Income Taxation Under Formula Apportionment”, *Econometrica*, 54(6), pp. 1357–1373. [\[pdf\]](#)
- Guvenen F., R.J. Mataloni, D.G. Rassier, and K. J. Ruhl (2022), “Offshore Profit Shifting and Aggregate Measurement: Balance of Payments, Foreign Investment, Productivity, and the Labor Share,” *American Economic Review*, 112(6), pp. 1848–84. [\[pdf\]](#)
- Hong, Q. and M. Smart (2010), “In praise of tax havens: International tax planning and foreign direct investment,” *European Economic Review*, 54, pp. 82–95. [\[pdf\]](#)
- * Keen, M., and K. Konrad (2013), “The Theory of International Tax Competition and Coordination,” *Handbook of Public Economics*, vol. 5, pp. 257–328. [\[pdf\]](#)
- * Tørsløv T., L. Wier and G. Zucman (2023), “The Missing Profits of Nations”, *Review of Economic Studies*, 90(3), pp. 1499–1534. [\[pdf\]](#)
- Tørsløv T., L. Wier and G. Zucman (2023), “Externalities in International Tax Enforcement: Theory and Evidence”, *American Economic Journal: Economic Policy*, 15(2), pp. 497–525. [\[pdf\]](#)
- Wier, L., and G. Zucman (2022), “Global Profit Shifting, 1975-2019”, UNU-WIDER working paper 2022/121 and NBER working paper #30673. [\[pdf\]](#)
- Wright, T., and G. Zucman (2018), “The Exorbitant Tax Privilege”, NBER working paper #24983. [\[pdf\]](#)
- Zodrow, G. R. (2010), “Capital mobility and capital tax competition.” *National Tax Journal*, 63, pp. 865–902. [\[pdf\]](#)
- Zodrow, G. R. and P. Mieszkowski (1986), “Pigou, Tiebout, Property Taxation, and the Underprovision of Local Public Goods,” *Journal of Urban Economics*, 19, pp. 356–370. [\[pdf\]](#)
- Zucman, G. (2014) “Taxing across Borders: Tracking Personal Wealth and Corporate Profits,” *Journal of Economic Perspectives* 28 (4): 121–48. [\[pdf\]](#)

11. Tax Evasion: Information, Supply, Norms (GZ)

- Allingham, M. and A. Sandmo (1972), “Income tax evasion: a theoretical analysis”, *Journal of Public Economics*, vol. 1, pp. 323–338. [\[pdf\]](#)

- Alstadsæter, A., N. Johannesen, and G. Zucman (2018), “Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality”. *Journal of Public Economics*, 162, pp. 89–100. [\[pdf\]](#)
- * Alstadsæter, A., N. Johannesen, and G. Zucman (2019), “Tax Evasion and Inequality”, *American Economic Review*, 109(6), pp. 2073–2103. [\[pdf\]](#)
- * Alstadsæter A., B. Planterose, G. Zucman, and A. Økland (2022), “Who Owns Offshore Real Estate? Evidence from Dubai”, EU Tax Observatory working paper #1. [\[pdf\]](#)
- Andreoni, J., B. Erard and J. Feinstein (1998), “Tax Compliance”, *Journal of Economic Literature*, vol. 36, pp. 818–60. [\[pdf\]](#)
- Bomare, J., and S. Le Guern Herry (2022), “Will We Ever Be Able to Track Offshore Wealth? Evidence from the Offshore Real Estate Market in the UK”, Sciences Po working paper. [\[pdf\]](#)
- Bustos, S., D. Pomeranz, J. C. Suárez Serrato, J. Vila-Belda, and G Zucman (2022), “The Race Between Tax Enforcement and Tax Planning: Evidence from a Natural Experiment in Chile,” NBER working paper #30114. [\[pdf\]](#)
- Feinmann, J., R. Hsu Rocha, and M. Lauletta (2022), “Payments Under the Table”, working paper. [\[pdf\]](#)
- Feinstein, J. S. (1991), “An econometric analysis of tax evasion and its detection”, *Rand Journal of Economics*, 22(1), pp. 14–35. [\[pdf\]](#)
- Garbinti, B., J. Goupille-Lebret, M. Muñoz, S. Stantcheva, and G. Zucman (2023), “Tax Design, Information, and Elasticities: Evidence from the French Wealth Tax”, NBER working #31333. [\[pdf\]](#)
- Guyton, J., P. Langetieg, D. Reck, M. Risch, and G. Zucman (2021), “Tax Evasion at the Top of the Income Distribution: Theory and Evidence,” NBER working paper #28542. [\[pdf\]](#)
- Internal Revenue Service (2022), “Tax Gap Estimates for Tax Years 2014–2016.” [\[pdf\]](#)
- Johannesen, N. and Zucman, G. (2014). “The End of Bank Secrecy? An Evaluation of the G20 Tax Haven Crackdown,” *American Economic Journal: Economic Policy*, 6(1), pp. 65–91. [\[pdf\]](#)
- * Kleven, H., M. Knudsen, C. Kreiner, S. Pedersen, and E. Saez (2011), “Unwilling or Unable to Cheat? Evidence from a Randomized Tax Audit Experiment in Denmark”, *Econometrica*, 79(3), pp. 651–692. [\[pdf\]](#)
- Leenders, W., A. Lejour, S. Rabate, and M. van’t Riet (2023), “Offshore Tax Evasion and Wealth Inequality: Evidence from a Tax Amnesty in the Netherlands.” *Journal of Public Economics*, 217: 104785. [\[pdf\]](#)
- Londoño-Vélez, J. and J. Avila-Mahecha (2021), “Enforcing Wealth Taxes in the Developing World: Quasi-Experimental Evidence from Colombia,” *American Economic Review: Insights*, 3(2), pp. 131–148. [\[pdf\]](#)
- Londoño-Vélez, J. and D. Tortarolo (2022), “Revealing 21% of GDP in Hidden Assets: Evidence from Argentina’s Tax Amnesties” EU Tax Observatory working paper #6. [\[pdf\]](#)
- Luttmer, E. F. P. and M. Singhal (2014), “Tax Morale”, *Journal of Economic Perspectives* 28(4), pp. 149–168. [\[pdf\]](#)

- Zucman, G. (2013). “The Missing Wealth of Nations: are Europe and the US Net Debtors or Net Creditors?,” *Quarterly Journal of Economics*, 128(3), pp. 1321–64. [\[pdf\]](#)
- Zucman, G. (2015), *The Hidden Wealth of Nations*, The University of Chicago Press.

12. Corporate Taxation (AB)

- Auerbach, A., Devereux, M. and Simpson, H. (2010). “Taxing Corporate Income,” in Mirrlees et al. (eds), *Dimensions of Tax Design: the Mirrlees Review*, Oxford University Press, chap. 9. [\[pdf\]](#)
- Auerbach, A. (2002). “Taxation and Corporate Financial Policy,” in Auerbach, A. and Feldstein, M. (eds), *Handbook of Public Economics*, vol. 3, chap. 19, Elsevier. [\[pdf\]](#)
- Bloom, N., Griffith, R. and Van Reenen, J. (2002). “Do R&D Tax Credits Work? Evidence from a Panel of Countries 1979–1997”, *Journal of Public Economics*, 85(1), pp. 1–31. [\[pdf\]](#)
- Clausing, K. (2012). “In Search of Corporate Tax Incidence,” *Tax Law Review*, 65(3), pp. 433–472. [\[pdf\]](#)
- Chetty, R. and Saez, E. (2006). “The Effects of the 2003 Dividend Tax cut on Corporate Behavior: Interpreting the Evidence,” *American Economic Review*, 96, pp. 124–129. [\[pdf\]](#)
- Chetty, R. and Saez, E. (2010) “Dividend and Corporate Taxation in an Agency Model of the Firm”. *American Economic Journal: Economic Policy* 2 (3): 1–31.
- * Fuest, C., A. Peichl, and S. Sieglöcher (2018), “Do Higher Corporate Taxes Reduce Wages? Micro Evidence from Germany”, *American Economic Review*, Vol. 108, No. 2, pp. 393–418. [\[pdf\]](#)
- Hall, B. and Van Reenen, J. (2000). “How Effective are Fiscal Incentives for R&D? A Review of the Evidence,” *Research Policy*, 29(4–5), pp. 449–469. [\[pdf\]](#)
- Harberger, A. (1962). “The Incidence of the Corporation Income Tax,” *Journal of Political Economy*, 70, pp. 215–240. [\[pdf\]](#)
- Gordon, R. and Hines, J. (2002). “International Taxation” in Auerbach, A. and Feldstein, M. (eds), *Handbook of Public Economics*, vol. 4, chap. 28, Elsevier. [\[pdf\]](#)
- Griffith, R., Hines, J. and Sørensen, P. (2010). “International Capital Taxation,” in Mirrlees et al. (eds), *Dimensions of Tax Design: the Mirrlees Review*, Oxford University Press, chap. 10
- Kline, P., Petkova, N., Williams, H. and Zidar, O. (2019) “Who Profits from Patents? Rent-sharing at Innovative Firms”, *Quarterly Journal of Economics* Vol. 134, No. 3, pp. 1343–1404. [\[pdf\]](#)
- Nielsen, S., and Sørensen, P. B. (1997). “On the Optimality of the Nordic System of Dual Income Taxation”. *Journal of Public Economics* 63 (3): 311–29.
- Pirttilä, J., and Selin, H. (2011). “Income Shifting within a Dual Income Tax System: Evidence from the Finnish Tax Reform of 1993”. *The Scandinavian Journal of Economics* 113 (1)
- Poterba, J. and L. Summers (1984) “New Evidence That Taxes Affect the Valuation of Dividends”, *The Journal of Finance* 39 (5): 1397–1415.
- Sørensen, P. B. (1994) “From the Global Income Tax to the Dual Income Tax: Recent Tax Reforms in the Nordic Countries”. *International Tax and Public Finance* 1 (1): 57–79.
- Suárez Serrato, J. C., and O. Zidar (2016) “Who Benefits from State Corporate Tax Cuts? A Local Labor Markets Approach with Heterogeneous Firms”, *American Economic Review* 106 (9): 2582–2624.

- * Yagan, D. (2015) “Capital Tax Reform and the Real Economy: The Effects of the 2003 Dividend Tax Cut”. *American Economic Review* 105 (12): 3531–63. [\[pdf\]](#)
- Zwick, E. and Mahon, J. (2017), “Tax Policy and Heterogeneous Investment Behavior”, *American Economic Review*, Vol. 107, No. 1, pp. 217–48.