

Paris School of Economics – Master APE and PPD

# Public Economics

## Syllabus

Antoine Bozio, Julien Grenet and Thomas Piketty

**Lecture period:** First Semester (September-December 2016).

**Lecturers:**

- Antoine Bozio, [antoine.bozio\(at\)ipp.eu](mailto:antoine.bozio@ipp.eu)
- Julien Grenet, [julien.grenet\(at\)ens.fr](mailto:julien.grenet@ens.fr)
- Thomas Piketty, [piketty\(at\)psemail.eu](mailto:piketty@psemail.eu)

**Language of the course:** English.

### Practical Information

**Lecture's room:** Campus Jourdan – room TBA.

**Course timetable:** There will be 36 hours of lectures, split into 12 3-hour sessions, on Monday from 3pm to 6pm.

**Course websites:** <http://www.parisschoolofeconomics.info/>  
and <http://piketty.pse.ens.fr/en/teaching/10-page-statique/18-pubecon>

### Content

The objective of this course is to present an introduction to public economics, with special emphasis on the history of taxation, public spending and state formation, 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

- **Economic History** (Thomas Piketty): for an introduction to economic history, with emphasis on capital accumulation, inequality and growth.
- **Optimal Taxation** (Stéphane Gauthier): for a more in-depth treatment of optimal taxation.
- **Ageing and the Economics of Pensions** (Antoine Bozio): for a more advanced course on the economics of pensions.

# Requirements and Assessment

To validate the course, students are required

1. to attend all lectures and actively participate in class;
2. to take the exam.

The reading list contains many references (particularly regarding the history of taxation, theories of justice, and optimal taxation). 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 try to 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!

The exam will be based upon a good working knowledge of all the material that is presented in the lecture slides. Please ask during the classes if there is anything unclear in this material.

## General References

### Undergraduate-level textbooks

Gruber (2016), Rosen & Galer (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 [\[pdf\]](#).
- 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. State Formation and Taxation in Historical Perspective [T. Piketty]

#### The rise of the fiscal and social state

- 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 [\[pdf\]](#).
- Esping-Andersen, G. (1990) *The Three Worlds of Welfare Capitalism*, Princeton University Press.
- European Commission (2013) *The Role of Tax Policy in Times of Fiscal Consolidation* [\[pdf\]](#) (see also IMF Fiscal Monitor (2013) *Taxing Times* [\[pdf\]](#))
- European Commission (2015) “Tax Reforms in EU Member States”, Working paper No. 58-2015 [\[pdf\]](#).
- \* Eurostat (2014) *Taxation Trends in the European Union* [\[pdf\]](#) [\[summary\]](#).
- Lindert, P. (2004) *Growing Public: Social Spending and Economic Growth since the Eighteenth Century*, Cambridge University Press.
- OECD/ECLAC/CIAT (2012) *Revenue Statistics in Latin America*, OECD Publishing [\[pdf\]](#).
- \* Piketty, T. (2014) *Capital in the Twenty-First Century*, Harvard University Press, chap. 13 [\[pdf\]](#).

#### The structure of taxation in historical and sociological perspective

- Ardant, G. (1971) *Histoire de l'impôt* (2 volumes), Fayard.
- Cagé, J. and Gadenne, L. (2014) “Tax Revenues, Development, and the Fiscal Cost of Trade Liberalization, 1792–2006”, working paper [\[pdf\]](#).
- Delalande, N. (2011), *Les batailles de l'impôt: consentement et résistance de 1789 à nos jours*, Le Seuil.
- Heaman, E. (2015) *A Short History of the State in Canada*, University of Toronto Press.
- Heaman, E. (forthcoming) *Taxes and Tax Revolts in Canada 1867–1917*.

- Huret, R. (2014) *American Tax Resisters*, Harvard University Press.
- Martin, I., Merhotra, A. and Pasad, M. (2009) *The New Fiscal Sociology: Taxation in Comparative and Historical Perspective*, Cambridge University Press.
- Spire, A. and Weinenfeld, K. (2015) *L'impunité fiscale. Quand l'État brade sa souveraineté*, La Découverte.

### **Introduction to optimal taxation: social objective vs. tax and transfer incidence**

- Carbonnier, C. (2007) “Who Pays Sales Taxes? Evidence from French VAT Reforms, 1987-1999”, *Journal of Public Economics*, 91(5-6), pp. 1219–29 [\[pdf\]](#)
- Fack, G. (2006) “Are Housing Benefits An Effective Way To Redistribute Income? Evidence From a Natural Experiment In France”, *Labour Economics*, 13(6), pp. 747–771 [\[pdf\]](#)

## **2. Normative Theories of Social and Fiscal Justice [T. Piketty]**

- Arrow, K. (1951) *Social Choice and Individual Values*, Yale University Press [\[pdf\]](#).
- Fleurbaey, M. (1996) *Théories économiques de la justice*, Economica.
- Fleurbaey, M. (2008) *Fairness, Responsibility and Welfare*, Oxford University Press.
- Rawls, J. (1971) *A Theory of Justice*, Harvard University Press.
- Rawls, J. (1995) *Political Liberalism*, Harvard University Press.
- Rawls, J. (2001) *Justice as Fairness: A Restatement*, Harvard University Press.
- \* Harsanyi, J. (1975) “Can the Maximin Principle Serve as a Basis for Morality? A Critique of John Rawls’s Theory”, *American Political Science Review*, 69(2), pp. 594–606 [\[pdf\]](#).
- 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.
- Nussbaum, M. (2006) *Frontiers of Justice: Disability, Nationality, Species Membership*, Harvard 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 [\[pdf\]](#).
- Roemer, J. (1998) *Theories of Distributive Justice*, Harvard University Press.
- Rosanvallon, P. (2011) *La société des égaux*, Le Seuil.
- Rosanvallon, P. (2015) *Le bon gouvernement*, Le Seuil.
- Sandel, M. (2010) *Justice: What’s the Right Thing to Do?*, Farrar, Straus and Giroux [\[link\]](#).
- Sandel, M. (2013) *What Money Can’t buy: The Moral Limits of Markets*, Farrar, Straus and Giroux.
- Sen, A. (1987) *Commodities and capabilities*, Oxford University Press.

- Sen, A. (1999) *Development as Freedom*, Anchor.
- \* Sen, A. (2006) “Development as Freedom: an Indian Perspective”, *Indian Journal of Industrial Relations*, 42(2), pp. 157–169 [\[pdf\]](#).
- Sen, A. (2009) *The Idea of Justice*, Harvard University Press.
- 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.

### 3. Tools of Welfare Analysis [J. Grenet]

- [Gruber], chap. 1–4.
- [Rosen & Gayer], chap. 1–3.
- [Stiglitz & 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 [\[pdf\]](#).
- 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 [\[pdf\]](#).
- Akerlof, G. (1970), “The Market for ‘Lemons’: Quality Uncertainty and the Market Mechanism”, *Quarterly Journal of Economics*, 84(3), pp. 488–500 [\[pdf\]](#).
- DellaVigna, S. and Malmendier, U. (2006) “Paying Not to Go to the Gym”, *American Economic Review*, 96(3), pp. 694–719 [\[pdf\]](#).
- Greif, A. (1993) “Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition”, *American Economic Review*, 83(3), pp. 525–548 [\[pdf\]](#).
- Kahneman, D. and Tversky, A. (1979) “Prospect Theory: An Analysis of Decision under Risk”, *Econometrica*, 47(2), pp. 263–292 [\[pdf\]](#).
- Lacetera, N., Pope, D. and Sydnor, J. (2012) “Heuristic Thinking and Limited Attention in the Car Market”, *American Economic Review*, 102(5), pp. 2206–36 [\[pdf\]](#).
- Laibson, D. (1997) “Golden Eggs and Hyperbolic Discounting”, *Quarterly Journal of Economics*, 112(2), pp. 443–447 [\[pdf\]](#).
- Madrian, B. and Shea, D. (2001), “The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior”, *Quarterly Journal of Economics*, 116(4), pp. 1149–1187 [\[pdf\]](#).

#### 4. Taxation of Goods and Services [A. Bozio]

- [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 [\[pdf\]](#).
- 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): Behavioural Responses [A. Bozio]

- 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 [\[pdf\]](#).
- 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 [\[pdf\]](#).

- \* 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*, Vol. 88, 2004, 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 [\[pdf\]](#).
- 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 [\[pdf\]](#).
- 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 [\[pdf\]](#).
- 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. 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 [\[pdf\]](#).
- Prescott, Edward C. (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., 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): Optimal Policy Design [A. Bozio]

- [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 [\[pdf\]](#).
- 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 [\[pdf\]](#).

- 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, pp. 463–480 [\[pdf\]](#).
- Mankiw, G. and Weinzierl, M. (2010) “The Optimal Taxation of Height: A Case Study of Utilitarian Income Redistribution”, *AEJ: Economic Policy*, 2, pp. 155–176 [\[pdf\]](#).
- \* 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. (2007) “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 [\[pdf\]](#).
- Saez E. and Stantcheva, S. (2016) “Generalized Social Marginal Welfare Weights for Optimal Tax Theory”, *American Economic Review*, 106(1), pp. 24–45 [\[pdf\]](#).

## 7. Wealth and Property Taxes over Time & across Countries [T. Piketty]

- 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 [\[pdf\]](#).



- 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 [\[pdf\]](#).
- 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 [\[pdf\]](#).
- Zucman, G. (2008) “Les hauts patrimoines fuient-ils l’ISF? Une estimation sur la période 1995-2006”, PSE Master Thesis [\[pdf\]](#).
- 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. (2014) “Taxing across Borders: Tracking Personal Wealth and Corporate Profits”, *Journal of Economic Perspectives*, 28(4), pp. 121–148 [\[pdf\]](#).
- Zucman, G. (2015), *The Hidden Wealth of Nations*, The University of Chicago Press.

## 8. Optimal Taxation of Capital [T. Piketty]

- Atkinson, A. and Stiglitz, J. (1976) “The Design of Tax Structure: Direct vs. Indirect Taxation”, *Journal of Public Economics*, 6, pp. 55–75 [\[pdf\]](#).
- Christiansen, V. (1984) “Which Commodity Taxes Should Supplement the Income Tax?”, *Journal of Public Economics*, 24, pp. 195–220 [\[pdf\]](#).
- Farhi, E. and Werning, I. (2014) “Bequest Taxation and  $r - g$ ”, working paper [\[pdf\]](#).
- Kaldor, N. (1955) *An Expenditure Tax*, George Allen & Unwin Ltd.
- Piketty, T. and Saez, E. (2013) “A Theory of Optimal Inheritance Taxation”, *Econometrica*, 81(5), pp. 1851–86 [\[pdf\]](#).
- \* Piketty, T., Saez, E. and Zucman, G. (2013) “Rethinking Capital and Wealth Taxation”, working paper PSE [\[pdf\]](#).
- Saez, E. (2002) “The Desirability of Commodity Taxation under Non-Linear Income Taxation and Heterogeneous Tastes”, *Journal of Public Economics*, 83, pp. 217–230 [\[pdf\]](#).
- Saez, E. (2004), “Direct or Indirect Tax Instruments for Redistribution: Short-run versus Long-run”, *Journal of Public Economics*, 88, pp. 503–518 [\[pdf\]](#).
- Saez, E. (2013), “Optimal Progressive Capital Income Taxes in the Infinite Horizon Model”, *Journal of Public Economics*, 97, pp. 61–74 [\[pdf\]](#).

## 9. Corporate Taxation [A. Bozio]

- \* 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].
- 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 [pdf].

## 10. Externalities [J. Grenet]

- [Gruber], chap. 5, 6 and 8.
- [Rosen & Gayer], chap. 5.
- [Stiglitz & Rosengard], chap. 6.
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