

Tax Policy
Prof. Chorvat
Spring 2009

There is no book for this course. The readings consist of articles that are posted to the TWEN site for the course.

Each assignment is expected to take approximately one week.

Assignment I

Reading: Powerpoint Slides for Class I

Suggested Reading: Chapter 1, TAXES AND BUSINESS STRATEGY, Scholes and Wolfson

Time value of money, value of deferral versus immediate deduction. The value of different investment Vehicles.

Assignment II - Consumption Taxes

Readings: Alan Auerbach, *The Choice Between an Income and Consumption Tax : A Primer*

Alvin Warren, *How Much Income Taxed under an Income Tax is Exempt under a Consumption Tax*

Assignment III - Corporate Taxes

Readings: Alan Auerbach, *Who Bears the Corporate Income Tax: A Review of What We Know*

Chorvat, *Apologia for the Double Taxation of Corporate Income*

Assignment IV - Executive Compensation and Taxes

Readings: Nancy Rose and Catherine Wolfram, *Regulating Executive Pay: Using the Tax Code to Influence CEO Compensation*

Balsam and Ryan, *Limiting Executive Compensation: The Case of CEO's Hired After the Imposition of 162(m)*

Assignment V - Financial Products

Readings: Alvin Warren, *US Income Taxation of New Financial Products*

David Schizer, *Balance in the Taxation of Derivative Securities*

Assignment VI - Taxing Capital Gains

Kent Smetters, *Trading with the Unborn: A New Perspective on Capital Income Taxation*

Alan Auerbach and Kevin Hassett, *The 2003 Dividend Tax Cut and the Value of the Firm: An Event Study*

Assignment VII - Social Security and Saving for Retirement

Reading: Jagadeesh Gokhale and Kent Smetters, *Measuring Social Security's Financial Problems*

Assignment VIII - The Estate Tax

Readings: Cagetti and De Nardi, *Taxation, Entrepreneurship and Wealth*
Sawyers, *Restructuring Estate and Gift Taxes*
Kopczuk and Slemrod, *Dying to Save Taxes: Evidence for Estate Tax Returns on the Death Elasticity*

Assignment IX - Complexity and Compliance

Reading: Kaplow, *How Tax Complexity and Enforcement Affect the Equity and Efficiency of the Income Tax*

Assignment X - Tax Shelters

Readings: Dammon and Green, *Tax Arbitrage and the Existence of Equilibrium Prices for Financial Assets*.

Daniel Shaviro, *Corporate Tax Shelters in a Global Economy*

Assignment XI - Proposals for Reform

Reading: Michael Graetz, *100 Million Unnecessary Returns: A Fresh Start for the U.S. Tax System*

Assignment XII - International Aspects of U.S. Taxation

Hines and Desai, *Old Rules and New Realities, Corporate Tax Policy in a Global Setting*

Graetz, *Taxing International Income: Inadequate Principles, Outdated Concepts, and Unsatisfactory Principles*