EC2450A Syllabus

Instructor: Stefanie Stantcheva
TA: Matteo Paradisi

Fall 2016

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Class time: The class meets Tuesdays 4-7 pm.

Lecture notes: I will post lecture notes online on my website: http://scholar.harvard.edu/stantcheva/classes every week the day before the class (at the latest).

Reading List: The Reading List for each lecture will be at the back of the slides. Strongly recommended readings are in bold.

Course requirements: To complete this course, you will have to 1) do the three problem sets during the semester, 2) do a referee report on a paper that will be assigned, and 3) take the final exam at the end of the semester.

Office Hours: You can sign up for office hours with me at this link goo.gl/dR4f0n (instructions are given there).

The course will cover the following topics: (note, 1 lecture = 2.5 hours)

1 Optimal income taxation (3 lectures)

- Facts about inequality, intergenerational mobility and the U.S. tax and transfer system (1 lecture)

- Optimal income tax theory (2 lectures)

2 Empirical evidence on responses to income taxation (2 lectures)

- Labor supply responses

- Migration and taxation (model and theory)

- Responses of taxable income

3 Optimal transfers (1 lecture)

- Optimal design of transfers in the Mirrlees model (0.5 lecture)

- Participation responses (0.5 lecture)

4 Social preferences for redistribution (1 lecture)

- Generalized social welfare weights for optimal tax theory

- Empirical work on social preferences

5 Tax avoidance, evasion, and enforcement (1 lecture)

- Theory of tax avoidance and enforcement.

- Empirical evidence

6 Capital income taxation (1.5 lecture)

- Canonical models: Chamley-Judd result, Atkinson-Stiglitz applied to capital taxation, Aiyagari model with uncertainty (0.5 lecture)

- Bequest and inheritance taxation (0.5 lecture)

- A simpler theory of capital taxation (0.5 lecture)

- Empirical evidence on the responses of capital to taxation (0.5 lecture)

7 Education and human capital (0.5 lecture)

- Education subsidies and taxation

- Human capital, training, and taxation

- Empirical evidence

8 New Dynamic Public Finance (2 lectures)

- Methods and standard results

- Application to disability insurance

- Lifecycle taxation

- Topics: recent papers in dynamic taxation.

9 Social Security and Retirement (1 lecture)

- Theory of social security

- Evidence on behavioral responses to policies

- Tax-favored retirement accounts: IRAs, 401(k)s.