

# Specialization Public Economics



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# Specialization Public Economics

- Course on current topics in public economics (revenue side, spending side, decision making)
  - Public debt
  - Incidence: pass-through of VAT
  - Incidence: corporate income tax
  - Policy relevant details of taxation:
    - E.g., Commuting Tax Allowances in Austria: Incentives, Misuse and Reform Options (also interesting in terms of methods)
  - Tax evasion
  - Redistribution through the government
  - Electoral system and political outcomes

# Course concept

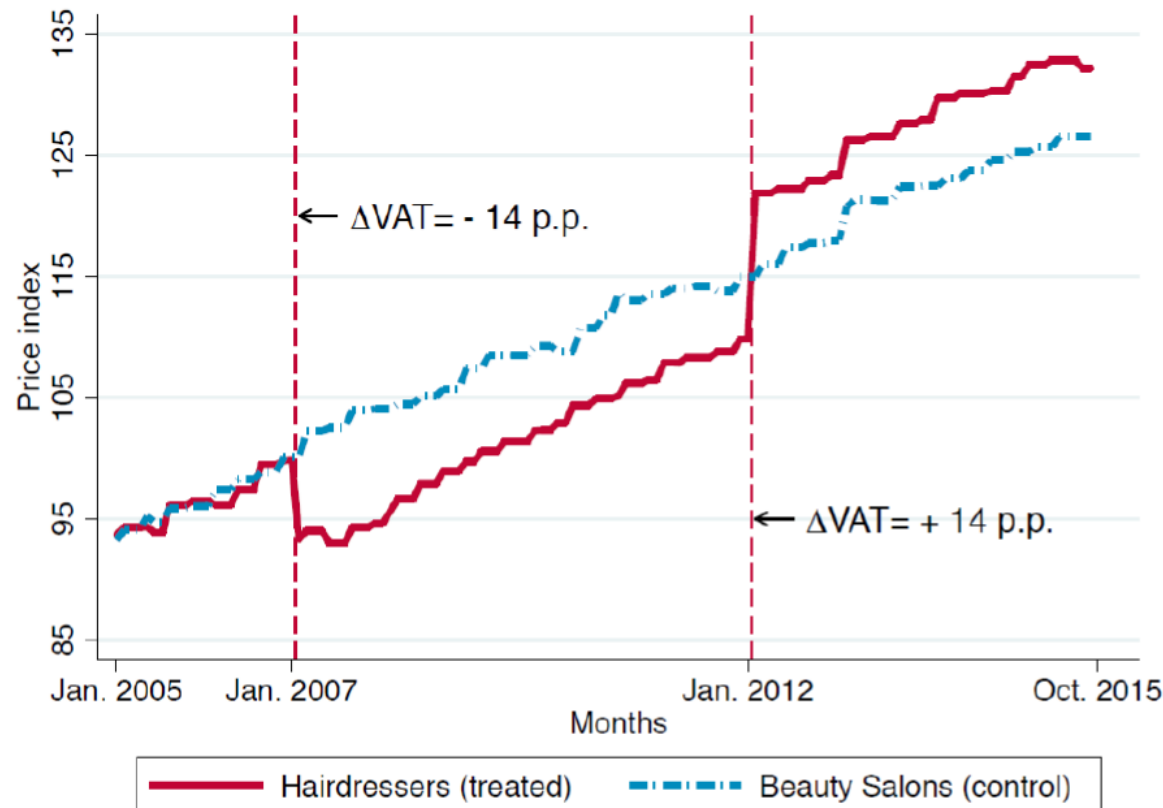
- The course is jointly taught with Simon Loretz (Wifo)
- Lecture
- Paper discussion units
- Guest Lectures by “practitioners”
  - Public Debt (confirmed)
  - Carbon Taxation (on the list)

# Grading

- There will be a midterm exam accounting 40% of the grade for the course.
- Another 20% will come from working on problem sets during the semester.
- The remaining 40% come from a second exam.
- Again, we do tutorials in class, i.e., when appropriate, present solutions to problem sets in the lecture.

# Example: Benzarti et al (2020): Incidence of Value-Added Taxes

Figure 1: Finnish Hairdressing Sector VAT Reforms



+/- Change in VAT by 14 percentage points

VAT-pass through is incomplete and prices respond significantly more strongly to increases than to decreases in value-added taxes