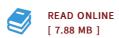




Optimal Taxation in a Federal System of Governments

By Sebastian Krug

GRIN Verlag Feb 2011, 2011. Taschenbuch. Book Condition: Neu. 226x159x17 mm. This item is printed on demand - Print on Demand Neuware - Seminar paper from the year 2011 in the subject Economics - Finance, Christian-Albrechts-University of Kiel (Department of Economics), course: Seminar in Public Economics and Social Policy: Federalism and (De)Centralization, language: English, abstract: An implemented tax system causes distortions which leads to a minor overall welfare level compared to a system without taxes. This deviation in social welfare is often denoted by excess burden or dead weight loss (DWL) of taxation. So the traditional optimal taxation approach comprises the implementation of a tax system which minimizes the excess burden and hence the distortions caused by the levied taxes. Therefore, the policy maker has to anticipate possible behavioral adjustments of the market participants when choosing its optimal tax policy. Assuming the policy maker will do so all effects (i.e. distortions) caused by the tax system will be internalized which means that no fiscal externalities would arise from implementing the (optimal) tax system. However, the traditional optimal taxation approach abstracts from any intergovernmental relations as the existence of only one government and accordingly only one level with fiscal jurisdiction is...



Reviews

This publication is definitely not effortless to get going on looking at but really exciting to read through. It really is rally intriguing through looking at time period. Its been written in an remarkably straightforward way which is just soon after i finished reading through this book where basically altered me, change the way i think.

-- Erna Langosh

The ebook is great and fantastic. We have read and i also am sure that i am going to likely to go through once again again down the road. Once you begin to read the book, it is extremely difficult to leave it before concluding.

-- Erica Turcotte