E889: Topics in International Taxation and Fiscal Competition

University of Mannheim
Spring Semester 2018

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**Course Description:** The course provides insights into current research in the area of public economics, with a focus on environments where countries/regions are linked by spillovers from tax/fiscal policies. This includes the following topics: taxation of interregionally mobile production factors, international migration of high skilled labor, the role of taxation for location decision of firms, tax and fiscal competition, profit shifting and policy coordination to prevent it. The course covers both theoretical and empirical approaches.

**Lecture times and course organization:**
The class consists of a series of lectures which take place on Tuesdays, 8:30 - 10:00 in room P043. In addition, and as part of the class we attend a session of the ZEW Public Finance conference on April 23 and 24, 2018 (details to be announced). Depending on the number of course participants, we will have several sessions for student presentations, most likely in the second half of the semester. The exact date(s) will be announced during the semester.

As part of the course requirement, you need to write two referee reports (3-4 pages each), in which you summarize the paper’s main results, and then focus on the critical evaluation of the paper and outline suggestions for further research.

Let me know (by email) in advance if you cannot come to class.

**Grading:**

- Presentation of a recent paper, plus referee report on that paper (counts 60% of final grade)
- Referee report on another paper 30%
- Class participation 10%
Topics and Readings

1. Tax competition: The basic model


2. Tax competition: Asymmetries


3. Taxation and labor mobility


4. Empirical local tax competition


5. Local Labor Markets and Place-Based Policies

• Kline, P., and E. Moretti (2013): Place Based Policies with Unemployment, American Economic Review, Papers and Proceedings, 103 (3)

6. Sub-national taxation and mobility/Real effects of corporate taxation
7. Taxation of Multinational firms


8. Other interesting papers (can be used for course assignments)