

TRANSMITTAL

DATE: April 23, 2004

TO: Rebecca Scott
Senate Council

FROM: Lissa Holland
Graduate Council

The Graduate Council met on April 22, 2004 and approved the following:

GRADUATE SCHOOL

Public Administration

New Course

PA 754 Advanced Topics in Public Finance (3 credits)

Principles of taxation and expenditure; applications to federal, state and local policy; fiscal federalism; international public finance.

Prerequisites: PA 752, ECO 701 or permission of the instructor.

APPLICATION FOR NEW COURSE

1. Submitted by College of The Graduate School Date 2/18/04

Department/Division offering course The Martin School of Public Policy & Administration

2. Proposed designation and Bulletin description of this course

a. Prefix and Number PA 754 b. Title* Advanced Topics in Public Finance

*NOTE: If the title is longer than 24 characters (including spaces), write
A sensible title (not exceeding 24 characters) for use on transcripts Adv. Tops. in Public

c. Lecture/Discussion hours per week 3 d. Laboratory hours per week 0

e. Studio hours per week 0 f. Credits 3

g. Course description

Principles of taxation and expenditure; applications to fed., state,
and local policy; fiscal federalism; international pub. finance.

h. Prerequisites (if any)

PA 752, ECO 701 or permission of the instructor.

i. May be repeated to a maximum of _____ (if applicable)

4. To be cross-listed as

ECO 754
Prefix and Number

Glen C Blomquist

Signature, Chairman, cross-listing department

5. Effective Date Spring 2004 (semester and year)

6. Course to be offered Fall Spring Summer

7. Will the course be offered each year? Yes No
(Explain if not annually)

We expect to offer it biennially to insure sufficient
student numbers.

8. Why is this course needed?

Public finance is a focus of the Martin School and an important advanced
field in Economics. An advanced course is necessary for students in thi

9. a. By whom will the course be taught? Dr. David Wildasin, Gina Toma or William Hoyt or

Aaron Yelowitz

b. Are facilities for teaching the course now available? Yes No
If not, what plans have been made for providing them?

FEB 18 2004

ORIGINAL

APPLICATION FOR NEW COURSE

10. What enrollment may be reasonably anticipated? 6-10
11. Will this course serve students in the Department primarily? Yes No
Will it be of service to a significant number of students outside the Department? Yes No
If so, explain.
Yes, it will serve as a required second course for Econ. Ph.D. students specializing in Public Finance.
- Will the course serve as a University Studies Program course? Yes No
If yes, under what Area? _____
12. Check the category most applicable to this course
 traditional; offered in corresponding departments elsewhere;
 relatively new, now being widely established
 not yet to be found in many (or any) other universities
13. Is this course applicable to the requirements for at least one degree or certificate at the University of Kentucky? Yes No
14. Is this course part of a proposed new program:
If yes, which? Yes No
15. Will adding this course change the degree requirements in one or more programs? *
If yes, explain the change(s) below Yes No
16. Attach a list of the major teaching objectives of the proposed course and outline and/or reference list to be used.
17. If the course is a 100-200 level course, please submit evidence (e.g., correspondence) that the Community College System has been consulted.
18. Within the Department, who should be contacted for further information about the proposed course?
Name David Wildasin Phone Extension 257-2456

*NOTE: Approval of this course will constitute approval of the program change unless other program modifications are proposed.

Print Form

Clear Form

APPLICATION FOR NEW COURSE

Signatures of Approval:

Yuzna Joma
Department Chair

1-20-04
Date

Dean of the College

Date

Date of Notice to the Faculty

*Undergraduate Council

Date

*University Studies

Date

*Graduate Council

Date

*Academic Council for the Medical Center

Date

*Senate Council (Chair)

Date of Notice to University Senate

*If applicable, as provided by the Rules of the University Senate

ACTION OTHER THAN APPROVAL

Spring, 2003
Prof. D. Wildasin
Office: 401 Patterson Office Tower
Phone: 257-2456
Office Hours: Monday/Wednesday 4:30-5:30 and by
appointment.
email: wildasin@tanstaaf.gws.uky.edu
www: <http://tanstaaf.gws.uky.edu/~wildasin>

ECO796/PA795: Advanced Topics in Public Finance

This course has two principal goals. First, for Ph. D. students from the Martin School, it serves as a sequel to PA752, building on that course to provide a more advanced treatment of topics in public finance for students with interests in this area. Second, for Ph. D. students in Economics, it serves as one of the two field courses for students specializing in Public Finance. Students from other programs are also welcome to participate in the class. As background preparation, students should have already had PA752 or ECO 601; students without such background should consult with the instructor before registering in the course.

COURSE DESCRIPTION

This course will begin with classical ideas in public economics. It starts with a concise review of some foundations: basic concepts of welfare economics, the efficiency and distributional implications of resource allocation through markets, and the concept of market failure. This provides a basis for the normative analysis of public policies to deal with market failures – classic public expenditure and externality theory. The efficiency and distributional effects of taxes are then discussed, first in a classical atemporal (static) setting and then with some attention to intertemporal issues. A discussion of trends in government fiscal policy in the US and elsewhere, together with the methodological issues involved in the measurement of government activity, completes the initial part of the course.

The next section of the course will be devoted to the study of “open economy public economics,” that is, the analysis of public finance issues when jurisdictions are not isolated from the rest of the world but instead are linked through trade, capital mobility, or mobility of people. State and local governments are open economies and, in the international context, so are national governments. Consideration of open-economy issues leads naturally to the analysis of intergovernmental fiscal interactions – either “horizontal” interactions among localities, among states, or among nations, or “vertical” interactions, involving the relations between higher- and lower-level governments.

With this background, the last part of the course will take up various special

advanced topics. These will be determined later, after discussions in class. As noted in earlier email communications, these might include some of the following:

Political economy and public choice. Voting, lobbying, citizen-candidate models, etc.

The financing of primary and secondary education in the US: state-local fiscal relations, the role of the judiciary in affecting school finance, education reform, private vs. public education.

Business taxation in the US and other countries; international tax competition, business structure (corporate inversions, tax havens, etc.), transfer pricing. State government tax treatment of business, including recent court cases; nexus, formula apportionment. Taxation and the decision to incorporate

Dynamic analysis of fiscal policies: closed-economy analysis of taxes/transfers, open-economy models and dynamic fiscal competition.

Migration and public finance: applications in the European and LDC context.

Public finance issues in LDCs.

Economics of the family and public finance.

Environmental policies and public finance; land-use, transportation, growth controls.

Fundamental tax reform: consumption vs. income taxation, VAT.

Taxation, risk, and finance: corporate financial structure; taxation and risk-taking; policy risk (e.g. random taxation).

Tax evasion, auditing, and administration.

READING

Readings will be drawn mainly from academic journals. I have also ordered two books, both of which should be at the bookstore:

N. Bruce, *Public Finance*, 2nd ed., Addison Wesley

and

R. Tresch, *Public Finance: A Normative Approach*, 2nd ed., Academic Press.

The book by Bruce is an undergraduate-level text on public finance. I highly recommend it for any students that have not had previous classes in public finance. It contains at least some discussion of virtually all of the topics that will be covered this semester, and it can provide an excellent introduction and background to them. Some students in this course may some day wish to teach undergraduate public finance, and familiarity with a text like Bruce will be helpful in this regard, as well. The book by Tresch provides an advanced treatment of many important topics in public finance. I will assign some selected readings from it but do not intend to work through it in detail. It should be quite useful for students who would like to see a systematic textbook treatment of some of the issues that we will discuss, developed in a consistent framework and notation.

Many journal articles are available online from the UK libraries. You should become familiar, if you are not already so, with the electronic journals database, which can be accessed from the UK home page. In addition, I will probably put some items on E-reserves. I presume that everyone has access to the technology needed to read .pdf files and can print .pdf documents if and as desired.

COURSE REQUIREMENTS

Grades for this course will be based on your performance on homework assignments, two short papers, a mid-term exam, and a final exam.

Two homework assignments: 10% (5% each)

Two short papers: 30%

Midterm exam: 30%

Final Exam: 30%

The short papers will focus on economic analysis applied to policy issues. A separate handout will provide guidance for paper preparation.

ADMINISTRATIVE MATTERS

Email Communications

It is exceedingly convenient to have an email distribution list for the course which I can use to contact students as needed with current information. Please send me an email within 24 hours, identifying yourself as a member of the class. I will send a couple of trial messages to the class in the near future in order to make sure that the distribution list is working correctly.

Consultation

I am available to meet with students during regularly scheduled office hours and by appointment.

Academic Integrity

Honesty is critically important in education, research, and policy analysis and formulation. All students are expected to adhere to the highest standards of academic integrity, and have a right to expect others to do the same. This is necessary in order to preserve the environment of trust without which the academic enterprise cannot succeed. If you have any questions about how to comply with these standards, please consult with me or with appropriate administrative personnel. Also, you should familiarize yourself with UK regulations on this subject, which are available for review on line.

To repeat: you must take the responsibility for adherence to the highest standards of academic integrity. Questions about proper procedures (for example, rules for the correct citation of the work of others) are *always* appropriate – and welcome – before work is submitted for grading. Excuses about lack of understanding of standards are *never* appropriate after violations of these standards are detected.

SIGNIFICANT DATES

Martin Luther King day: Monday, Jan. 20 (no class).

Homework # 1: Wednesday, Feb. 5.

Homework # 2: Wednesday, Feb. 19.

MIDTERM EXAM: Wednesday, March 5.

SPRING BREAK: Week of March 17.

Short Paper # 1: Wednesday, Mar. 26.

TAX DAY: Tuesday, April 15.

Short Paper # 2: Wednesday, April 23.

Last class: Wednesday, April 30.

FINAL EXAM: 10:30 AM, Monday, May 5.

Spring, 2003
Prof. D. Wildasin

Version: 11 April 2003

ECO/PA795: Advanced Topics in Public Finance

READINGS

No compilation of readings on the subject of public finance and policy analysis can ever hope to be complete. The readings listed here include those that will be specifically assigned for our course and a sampling of other references that may be useful for those who wish to pursue particular topics more deeply. For just about every topic, there is a large body of literature that addresses many questions in far greater detail than we can possibly hope to do; I will be glad to try to assist students in locating additional materials on specific topics if I can. The first task for any serious student, however, is to search the relevant professional journals. There are numerous journals that regularly publish in the areas that we will cover; in addition to the usual major journals in economics, every student of public economics should be aware of the following journals that specialize in this field:

Journal of Public Economics

National Tax Journal

International Tax and Public Finance

Public Finance

Public Finance Review (formerly *Public Finance Quarterly*)

Journal of Public Economic Theory

Finanzarchiv (The oldest journal in public finance? Founded in 1884 and now publishing in English.)

Journals such as the *Brookings Papers on Economic Activity* and *Economic Policy* are not specifically devoted to public finance but publish articles on public economics topics with some frequency.

If you become interested in topics such as the effects of taxation or welfare policies on labor market behavior, you will want to examine journals like the *Journal of Labor Economics* or the *Journal of Human Resources*. State and local economic development and fiscal policy issues are frequently discussed in journals that deal with spatial, urban, and regional topics like the *Journal of Urban Economics*, *Regional Science and Urban Economics*, the *Journal of Re-*

gional Science, or *Papers in Regional Science*. For international issues, there are outlets like the *Journal of International Economics*, the *Review of International Economics*, and others; and there are still more journals that deal with developing countries (the *Journal of Development Economics* and the *World Bank Economic Review*, for example).

Some general references on public economics, in addition to various works mentioned below, include:

G.D. Myles, *Public Economics* (Cambridge University Press, 1995).

A. B. Atkinson and J. E. Stiglitz, *Lectures on Public Economics* (New York: McGraw-Hill 1980).

D. Wildasin *Urban Public Finance* (New York: Harwood)

R. W. Boadway and D. Wildasin, *Public Sector Economics* (2nd. ed., Little, Brown).

Several of these are quite technical in nature but they can be of value even to students who may not find them totally comprehensible.

I. Foundations of Public Economics

Bruce, Chs. 1 and 2, Appendix

Tresch, Chs. 1 and 2.

F. M. Bator, "The Simple Analytics of Welfare Maximization", *QJE* 72(3), 1957, 351-379.

F. A. von Hayek, "The Use of Knowledge in Society", *AER* 35(4), 1945, 519-530.

R. Boadway and N. Bruce, *Welfare Economics* (New York: Basil Blackwell, 1984).

R. A. Musgrave, *Theory of Public Finance* (New York: McGraw-Hill, 1959).

J. Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, 1971).

H. S. Gordon, *Welfare, Justice, and Freedom* (New York: Columbia University Press, 1980).

A. Auerbach and M. Feldstein, *The Handbook of Public Economics* (multiple volumes). The first two volumes were published in 1987; two more volumes are on the way.

II. Basic Facts About the Public Sector

Bruce, Ch. 1.

S. Surrey, *Pathways to Tax Reform* (Cambridge: Harvard University Press, 1973).

N. Bruce, "Pathways to Tax Expenditures: A Survey of Conceptual Issues and Controversies", in N. Bruce (ed.), *Tax Expenditures and Government Policy* (Kingston: John Deutsch Institute for the Study of Economic Policy, 1984), 21-61.

S. Surrey and P. R. McDaniel, *Tax Expenditures* (Cambridge: Harvard University Press, 1985).

R. Eisner, *How Real Is the Federal Deficit?* (New York: Free Press, 1986).

A. J. Auerbach, J. Gokhale, and L. J. Kotlikoff, "Generational Accounting: A Meaningful Way to Evaluate Fiscal Policy", *J. of Economic Perspectives* 8(1), 1994, 73-94.

R. Haveman, "Should Generational Accounts Replace Public Budgets and Deficits?" *J. of Economic Perspectives* 8(1), 1994, 95-111.

CCH (Commerce Clearing House), *US Master Tax Guide* (Chicago: CCH Inc.), annual.

CCH is also the publisher of information about state and local taxation, for example, the *State Tax Guide* among many other publications.

Office of Management and Budget, *Budget of the United States Government* (Washington: USGPO), annual.

IMF *Government Financial Statistics* (Washington, IMF, various).

The World Bank and the OECD are important sources of data on public-sector policies in different countries. Their web sites provide information about the information that they make available.

III. Market Failures and First-Best Policies

A. Introduction to Externalities and Public Goods

Tresch, Ch. 5.

K. Wicksell, "A New Principle of Just Taxation," in *Classics in the Theory of Public Finance* (R. A. Musgrave and A. T. Peacock, eds.), 72-118.

E. Lindahl, "Just Taxation—A Positive Solution," in *Classics in the Theory of Public Finance* (R. A. Musgrave and A. T. Peacock, eds.), 168-176.

R. Cornes and T. Sandler, *The Theory of Externalities, Public Goods, and Club Goods* (New York: Cambridge University Press, 1988).

B. Public Goods

Bruce, Ch. 3.

Tresch, Ch. 6, pp. 170-193.

P. A. Samuelson, "The Pure Theory of Public Expenditure," *Review of Economics and Statistics* 1954.

P. A. Samuelson, "Diagrammatic Exposition of a Pure Theory of Public Expenditure," *Review of Economics and Statistics* 1955.

C. Externalities

Bruce, Ch. 4.

Tresch, Ch. 6, pp. 153-170, 193-203; chs. 7 and 8.

R. Coase, "The Problem of Social Cost", *Journal of Law and Economics*, Oct. 1960.

IV. The Analysis of Taxation: Distribution and Efficiency

A. Introduction to Second-Best Analysis

Bruce, Ch. 10.

Tresch, Ch. 12.

B. Welfare Measurement

P. A. Diamond and D. L. McFadden, "Some Uses of the Expenditure Function in Public Finance," *J. Pub. Econ.* 3(1) 1974, 3-21.

A. Harberger, "Taxation, Resource Allocation, and Welfare," in J. Due (ed.), *The Role of Direct and Indirect Taxes in the Federal Revenue System* (Washington: Brookings).

J. Hausman, "Exact Consumers Surplus and Deadweight Loss," *American Economic Review* 81, 1981, 622-676.

D. Wildasin and Richard Harris, "An Alternative Approach to Aggregate Surplus Analysis," *Journal of Public Economics* 26(3), April 1985, 289-302.

J. R. Hines, Jr. "Three Sides of Harberger Triangles," *J. Econ. Perspectives* 13(2), Spring 1999, 167-188.

C. Optimal Commodity Taxation

Bruce, Ch. 12.

Tresch, Chs. 13-15.

P. A. Diamond and J. A. Mirrlees, "Optimal Taxation and Public Production," *AER* 61(1), March 1971, 8-27; and *AER* 61(3), June 1971, 261-278.

J. E. Stiglitz, "Utilitarianism and Horizontal Equity: The Case for Random Taxation," *Journal of Public Economics* 18(1), 1982, 1-34.

F.R. Chang and D. Wildasin, "Randomization of Commodity Taxes: An Expenditure Minimization Approach," *Journal of Public Economics* 31(3), December 1986, 329-345.

D. Cost-Benefit Analysis and Public Good Provision with Distortionary Taxation

A. B. Atkinson and N. H. Stern, "Pigou, Taxation and Public Goods," *REStud* 41(1), Jan. 1974, 119-128.

D. Wildasin, "Public Good Provision with Optimal and Non-Optimal Commodity Taxation: The Single Consumer Case," *Econ. Letters*, 1979, 59-64.

D. Wildasin, "On Public Good Provision with Distortionary Taxation," *EL* 22(1), April 1984, 227-243.

D. Wildasin, "Demand Estimation for Public Goods: Distortionary Taxation and Other Sources of Bias," *Regional Science and Urban Economics* 19(3), August 1989, 353-379.

J. Wilson, "Optimal Public Good Provision with Limited Lump Sum Taxation," *American Economic Review*

C. Ballard and D. Fullerton, "Distortionary Taxation and the Provision of Public Goods" *J. of Economic Perspectives* 6, 1992, 117-131.

L. Liu, several recent papers with up-to-date references. (Circulated via email.)

E. Taxation and Risk-Taking

E. Domar and R.A. Musgrave, "Proportional Income Taxation and Risk-Taking" *Quarterly Journal of Economics* 58, 1944, 388-422.

J. Mossin, "Taxation and Risk-Taking: An Expected Utility Approach", *Economica* 35, 1968, 74-82.

A. Sandmo, "The Effects of Taxation on Savings and Risk Taking," in A. Auerbach and M. Feldstein (eds.), *Handbook of Public Economics*, Volume I (Amsterdam: North-Holland, 1987).

R. Gordon and J. Wilson, "Measuring the Efficiency Cost of Taxing Risky Capital Income," *American Economic Review* 79, 1989, 427-439.

D. Wildasin and Robin Boadway, "Optimal Tax-Subsidy Policies for Industrial Adjustment to Uncertain Shocks," *Oxford Economic Papers* 42(1), January 1990, 105-134.

T. Kniesner and J. Ziliak ...

F. Tax Incidence Analysis

Bruce, Ch. 11.

Tresch, Ch. 16.

V. Open Economy Public Finance

A. Introduction

Tiebout, C.M., "A Pure Theory of Local Expenditures", *Journal of Political Economy* 64, 416-424.

Oates, W. E. *Fiscal Federalism* (New York: Harcourt Brace Jovanovich, 1972).

E. Berglas and D. Pines, "Clubs, Local Public Goods, and Transportation Models: A Synthesis," *Journal of Public Economics* 15, 1981, 141-162.

D. Wildasin, *Urban Public Finance* (New York: Harwood Academic Publishers, 1986).

D. Rubinfeld, "The Economics of the Local Public Sector," in A. Auerbach and M. Feldstein (eds.), *Handbook of Public Economics*, Volume II (Amsterdam: North-Holland, 1987), 571-645.

D. Wildasin, "Theoretical Analysis of Local Public Economics," Chapter 29 in Edwin S. Mills (ed.), *Handbook of Regional and Urban Economics*, Volume 2 (Amsterdam: North-Holland, 1987), 429-476.

D. Wildasin and J.D. Wilson, "Theoretical Issues in Local Public Economics: An Overview", *Regional Science and Urban Economics* 21(3), November 1991, 317-331.

Cremer, H., V. Fourgeaud, M. Leite-Monteiro, M. Marchand, and P. Pestieau, "Mobility and Redistribution: A Survey," *Public Finance* 51, 1996, 325-352.

W. Oates, "An Essay on Fiscal Federalism" *Journal of Economic Literature* 37, 1120-1149.

D. Wellisch, *Theory of Public Finance in a Federal State* (New York: Cambridge University Press, 2000).

D. Lowery, "A Transactions Cost Model of Metropolitan Governance: Allocation vs. Redistribution in Urban America", *Journal of Public Administration Research and Theory* 10, 49-78.

B. Competition for Mobile Resources

Tax Incidence Analysis, Tax Exporting, Capital Tax Competition

Mieszkowski, P. M. "The Property Tax: An Excise Tax or a Profits Tax?", *Journal of Public Economics* .

Hamilton, B.W. "Zoning and Property Taxation in a System of Local Governments," *Urban Studies* 12, 205-211.

Bradford, D.F. "Factor Prices May Be Constant but Factor Returns Are Not," *Economics Letters* 1, 199-203.

Wildasin, D. E. "Interjurisdictional Capital Mobility: Fiscal Externality and a Corrective Subsidy," *Journal of Urban Economics* 25, 193-212.

Hoyt, W. H. "Competitive Jurisdictions, Congestion, and the Henry George Theorem: When Should Property Be Taxed Instead of Land?" *Regional Science and Urban Economics* 21(3), November 1991, 371-392.

Jensen, R. and E. Toma, "Debt in a Model of Tax Competition" *Regional Science and Urban Economics* 21(3), November 1991, 371-392.

Wildasin, D.E. "Nash Equilibria in Models of Fiscal Competition," *Journal of Public Economics* 35, 229-240.

J. D. Wilson, "Theories of Tax Competition," *National Tax Journal* 52, 269-304.

Competition for Mobile Labor; Fiscal Impacts of Migration

Borjas, G.J. and L. Hilton (1996), "Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs," *Quarterly Journal of Economics* 111, 575-604.

Wildasin, D.E. "Income Redistribution in a Common Labor Market," *American Economic Review* 81(4), September 1991, 757-774.

J.K. Brueckner (1998) "Welfare Reform and the Race to the Bottom: Theory and Evidence," *Southern Economic Journal* 66, 505-525.

C. Implications of Fiscal competition:

The Tiebout model, Limits on Redistribution, the Structure of Taxation.

W. E. Oates (1969) "The Effects of Property Taxes and Local Public Spending on Property Values: An Empirical Study of Tax Capitalization and the Tiebout Hypothesis" *Journal of Political Economy* 77, 1969, 957-971.

B. W. Hamilton, (1975), "Zoning and Property Taxation in a System of Local Governments," *Urban Studies* 12, 205-211.

W. A. Fischel, "Homevoters, Municipal Governance, and the Benefit View of the Property Tax", *National Tax Journal* 54, 2001, 157-.

Wildasin, D., "Factor Mobility and Redistributive Policy: Local and International Perspectives," in P. B. Sorensen (ed.) *Public Finance in a Changing World* (London: MacMillan Press, Ltd., 1998), 151-192.

Education Finance

Inman, R. and D. Rubinfeld, "The Judicial Pursuit of Local Fiscal Equity" *Harvard Law Review* 92, 1662-1750.

T. J. Goodspeed, "The Relationship Between State Income Taxes and Local Property Taxes: Education Finance in New Jersey", *National Tax Journal* 51(2), 219-238.

W. Duncombe and J. Yinger, "School Finance Reform: Aid Formulas and Equity Objectives", *National Tax Journal* 51(2), 239-262.

T.A. Sexton, S.M. Sheffrin, and A. O'Sullivan, "Proposition 13: Unintended Effects and Feasible Reforms", *National Tax Journal* 52(1), 99-112.

T. A. Downes and D. N. Figlio, "Do Tax and Expenditure Limits Provide a Free Lunch? Evidence on the Link Between Limits and Public Sector Service Quality", *National Tax Journal* 52(1), 129-138.

Nechyba, T., "Local Property and State Income Taxes: The Role of Interjurisdictional Competition and Collusion" *Journal of Political Economy* 105, 1997, 351-384.

Wildasin, D. E. "Labor Market Integration, Investment in Risky Human Capital, and Fiscal Competition," *American Economic Review* 90(1), 2000, 73-95.

Hoxby, C. "Does Competition Among Public Schools Benefit Students and Taxpayers?" *American Economic Review* 90, 2000, 1209-1238.

The Median Voter Model and Local Public Choice

See esp. D. Rubinfeld, *Handbook of Public Economics*, cited above.

Bergstrom, T. and R. Goodman "Private Demands for Public Goods", *American Economic Review* 63, 280-296.

Brennan, G. and J. Buchanan (1980) *The Power to Tax: Analytical Foundations of a Fiscal Constitution*. (Cambridge: Cambridge University Press).

E-Commerce and sales taxation

McLure, C.E. Jr., "Electronic Commerce and the State Retail Sales Tax: A Challenge to American Federalism", *International Tax and Public Finance* 6, 193-224.

D. Intergovernmental fiscal relations

Buchanan, J.M. "Federalism and Fiscal Equity," *American Economic Review* 40, 583-599.

Buchanan, J.M. "Federal Grants and Resource Allocation," *Journal of Po-*

litical Economy 60, 208-217.

Boadway, R. W., and Flatters, F.R. (1982), "Efficiency and Equalization Payments in a Federal System of Government: A Synthesis and Extension of Recent Results," *Canadian Journal of Economics* 15, 613-633.

H. Chernick, "Fiscal Effects of Block Grants for the Needy: An Interpretation of the Evidence," *International Tax and Public Finance* 5, 205-233.

H. Chernick, "Federal Grants and Social Welfare Spending: Do State Responses Matter?" *National Tax Journal* 53(1), 143-152.

Wildasin, D. "Externalities and Bailouts: Hard and Soft Budget Constraints in Intergovernmental Fiscal Relations"; World Bank Policy Research Working Paper No. 1843.

Buettner, T. and D.E. Wildasin, "The Dynamics of Municipal Fiscal Adjustment," unpublished.

E. The International Dimension

Harberger, A.C. "Perspectives on Capital and Technology in Less-Developed Countries," in M.J. Artis and A.R. Nobay (eds.) *Contemporary Economic Analysis*, (London: 1978), 15-40.

Feldstein, M.S. and C. Horioka, "Domestic Saving and International Capital Flows," *Economic Journal* 90, June 1980, 314-329.

A number of papers on this topic appear in D.E. Wildasin (ed.), *Fiscal Aspects of Evolving Federations* (Cambridge Univ. Press, 1997).

Keen, M. and D. E. Wildasin, "Pareto-Efficient International Taxation," *American Economic Review*, forthcoming.

J. Edwards, "Gains from Trade in Tax Revenue and the Efficiency Case for Trade Taxes," unpublished.

Public finance in developing countries

J. Martinez-Vasquez and R.M. McNab, "The Tax Reform Experiment in Transitional Countries", *National Tax Journal* 53(2), 273-298.

V. Tanzi and H. H. Zee, "Tax Policy for Emerging Market: Developing Countries", *National Tax Journal* 53(2), 299-322.

See also proceedings of conference on "Public Finance in Developing and Transition Economies", Georgia State University web site.

D. E. Wildasin, "Liberalization and the Spatial Allocation of Population in Developing and Transition Countries", in J. Alm and J. J. Martinez-Vasquez (eds.) *Public Finance in Developing and Transition Countries: Essays in Honor of Richard Bird* (Cheltenham, UK: Edward Elgar Publishing), forthcoming.

Public finance in the EU

Sorensen, P.B., "The Case for International Tax Co-ordination Reconsidered", *Economic Policy* 31, October, 2000, 429-472.

Wildasin, D. E. "Factor Mobility and Fiscal Policy in the EU: Policy Issues and Analytical Approaches," *Economic Policy* 31, October, 2000, 337-378.

Hanson and Lofstrom, "Immigrant Assimilation and Welfare Participation: Do Immigrants Assimilate Into or Out of Welfare?" IZA DP no. 100.

Lofstrom M. and Hanson, "The Dynamics of Immigrant Welfare and Labor Market Behavior," IZA DP no. 360.

T.T. Dang, P. Antolin, and H. Oxley, "Fiscal Implications of Ageing: Projections of Age-Related Spending," OECD working paper.

To be continued ...

Holland, Lissa

From: Wildasin, David E
Sent: Friday, February 27, 2004 6:03 PM
To: Holland, Lissa
Cc: Wildasin, David E; Lyons, Marilyn
Subject: Re: PA 754 - Graduate Council Questions



objectives.pdf (16 KB)

Thank you for your message.

With regard to the last point ("to be continued"), can we simply erase that? When I last offered the class, I didn't have time to go any further than that anyway.

As to Econ: I'll check with them about the course listing. I had thought that this was already done.

As to objectives: we were not aware that this was required. I append herewith a brief statement of the course objectives which I hope is suitable. Please let me know if not.

I'll be back in touch again about the econ cross-listing.

Thanks,

Dave Wildasin

David E. Wildasin Tel:+1 859 257 2456
Martin School of Public Policy Fax:+1 859 323 1937
University of Kentucky email: dew@davidwildasin.us
Lexington, KY 40506-0027 www: <http://davidwildasin.us>
USA

On Fri, 27 Feb 2004, Holland, Lissa wrote:

> Dr. Wildasin,
>
> Regarding the new course proposal for PA 754, the following issues
> need to be addressed before we can proceed:
>
> 1) The PA course is cross-listed as ECO 754, but there is no record
> of this course or a letter from the Economics department stating their
> agreement to this. Does this course exist, and if not, should we
> expect the proposal for it soon?
>
> 2) There are no Teaching Objectives listed in or attached to the
> syllabus for this course.
>
> 3) On the last page of the syllabus (pg. 11), the last line says "To
> be continued", but there is nothing after that, can you please
> clarify.
>
> Please let me know on these as soon as possible so that we may move
> this item through.
>
> Thank you,
>
> Lissa
>
> Lissa Holland
> The Graduate School

> University of Kentucky
> 355 Patterson Office Tower
> Lexington, KY 40506-0027
> (859) 257-1759
> Fax: (859) 323-1928
> lissa.holland@uky.edu <mailto:lissa.holland@uky.edu>
>
>

Students in this course:

(i) will learn about advanced topics in public economics, including the analysis of the efficiency and distributional effects of taxation, principles of public expenditure analysis, and political economy;

(ii) will learn about the application of advanced tools of economic analysis to important policy problems in public economics;

(iii) will improve writing and research skills by undertaking research projects relating to tax policy and tax reform, with findings to be presented in term papers.

Holland, Lissa

From: Lee, Sarah O
Sent: Monday, March 01, 2004 8:50 AM
To: Holland, Lissa
Cc: Wildasin, David E
Subject: RE: PA 754 - Graduate Council Questions (fwd)

Dear Lissa,

Hope you had a good weekend!

I wanted to respond to the first and third questions, Dr. Wildasin will get back to you on the second.

1) A cross listing means that the course is listed twice. Since it is exactly the same course it doesn't require a separate proposal. Dr. Blomquist gave his agreement to the cross-listing by signing on line 4. It is simply an acknowledgement that the course will be of interest to students in both departments so it will be listed in the schedule book as both PA 754 and ECO 754 The sponsoring department (us, in this case) determines how many of the seats in the class are allocated to each listing.

3) The "To Be Continued" on page 11 refers to the READINGS section only, not the syllabus in general. (See the introduction on page one of the readings). He means that he may give other useful readings to the students as the course progresses, not that he is going to amend the syllabus.

Hope this clarifies!

Sarah Lee
Student Affairs Office
James W. Martin School of Public Policy and Administration
413 Patterson Office Tower
University of Kentucky
Lexington, KY 40506-0027

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-----Original Message-----

From: David E. Wildasin [mailto:dew@davidwildasin.us]
Sent: Friday, February 27, 2004 5:39 PM
To: solee@uky.edu
Cc: David E. Wildasin
Subject: PA 754 - Graduate Council Questions (fwd)

Sarah,

I guess I need some help on this ... let's discuss next week.

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Lexington, KY 40506-0027 www: http://davidwildasin.us
USA

----- Forwarded message -----

Date: Fri, 27 Feb 2004 15:45:08 -0500
From: "Holland, Lissa" <lissa.holland@uky.edu>
To: "Wildasin, David E" <dew@davidwildasin.us>
Cc: "Lyons, Marilyn " <Marilyn.Lyons@uky.edu>
Subject: PA 754 - Graduate Council Questions

Dr. Wildasin,

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Thank you,

Lissa

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