

Syllabus

Name:			
FiWi IV: Optimal Tax Theory			
Responsible:			
Professor Hans Fehr, Chair of Public Finance			
Program:	Type:	Term:	ECTS:
Master	Lecture	Winter	6 CP
Contents & Objectives:			
<p>The course deals with the design of an optimal tax system. The students will learn what are the criteria to be met for a tax system to be optimal. Lectures will provide key rules for taxing commodities as well as income and capital. These rules will be further studied by examining specific taxation issues such as the Eco-tax or home production. The course will be based on lecture notes. For further reference students may consult text books such as Salanie (2003), Kaplow (2008) or Tresh (2015) .</p>			
Prerequisites:			
Students that attend this course should have some basic knowledge in microeconomic theory.			
Course Structure:			
Week	Content		
1-2	Basic Microeconomic Concepts		
3	Optimal Tax Rules for Commodity Taxation		
4	Environmental Taxation in a Small Open Economy		
5	Optimal Taxation with Home Production		
6	Optimal Linear Income Taxation		
7	Optimal Non-linear Income Taxation		
8	Optimal Taxation of Families		
9-10	Optimal Taxation with Uncertain Income		
11-12	Optimal Social Insurance		

Literature:

Kaplow, L. (2008): The Theory of Taxation and Public Economics, Princeton University Press.

Salanie, B. (2003): The Economics of Taxation, Cambridge, MIT Press.

Tresh, R.W. (2015): Public Finance: A Normative Theory, 3rd ed. Elsevier.

Lecture notes will be also provided.

Grading:

Exam (60 min) + presentation (20 min) at the end of the semester.

Contact:

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