

107th Annual Conference on Taxation

Santa Fe, New Mexico, USA
13 - 15 November 2014

Volume 1 of 6

ISBN: 978-1-5108-4828-3

Printed from e-media with permission by:

Curran Associates, Inc.
57 Morehouse Lane
Red Hook, NY 12571



Some format issues inherent in the e-media version may also appear in this print version.

Copyright© (2014) by National Tax Association (NTA)
All rights reserved. Material cannot be copied without permission.

Printed by Curran Associates, Inc. (2017)

For permission requests, please contact National Tax Association (NTA)
at the address below.

National Tax Association (NTA)
529 14th Street NW, Suite 650
Washington DC 20045

Phone: (202) 737-3325
Fax: (202) 737-7308

nta@ntanet.org

Additional copies of this publication are available from:

Curran Associates, Inc.
57 Morehouse Lane
Red Hook, NY 12571 USA
Phone: 845-758-0400
Fax: 845-758-2633
Email: curran@proceedings.com
Web: www.proceedings.com

TABLE OF CONTENTS

VOLUME 1

Policy Leadership and Tax Competition: The Case of Local Option Sales Taxes	1
<i>Gregory Burge, Cynthia Rogers</i>	
The Internet as a Tax Haven?: The Effect of the Internet on Tax Competition	35
<i>David Agrawal</i>	
Reconsidering Corporate Tax Privacy	98
<i>Joshua Blank</i>	
What Is Fair Tax Administration?	171
<i>Shu-Yi Oei</i>	
Taxing Phantom Income and the Simple Economics of Paying in Kind	172
<i>Andrew Hayashi</i>	
Tax Law Nonenforcement	218
<i>Leigh Osofsky</i>	
The Housing and Educational Consequences of the School Choice Provisions of NCLB: Evidence From Charlotte, NC	280
<i>Eric Brunner, Stephen B. Billings, Stephen L. Ross</i>	
Balancing Equalization With Increased Revenue for Education: Expansion of Local Tax Effort Under New Mexico's State Equalization Guarantee	330
<i>Ian Kleats</i>	
The Spillover Effects of Outward Foreign Direct Investment on Home Countries: Evidence From the United States	358
<i>Jitao Tang, Rosanne Altshuler</i>	
Does Organizational Form Affect Firms' Foreign Operations? The Role of "Check-the-Box" on Multinational Tax Planning	401
<i>Jennifer Blouin, Linda K. Krull</i>	
Territoriality and Domestic and Outbound Investment of UK Multinationals: Evidence From Micro-Level Data	432
<i>Li Liu</i>	
Bumpy Designs: Impact of Privacy and Technology Costs on Support for Road Mileage User Fees	468
<i>Denvil Duncan, Venkata Nadella, Ashley Bowers, Stacey Giroux, John D. Graham</i>	
What Do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results From Year 5 of a National Survey	508
<i>Asha Agrawal, Hilary Nixon</i>	
How Does Unemployment Affect the Desirability of the EITC vs. NIT: Theory and Evidence	528
<i>Kavan Kucko, Kory Kroft, Johannes Schmieder</i>	
Tracking EITC Qualifying Children Over Time	569
<i>Patricia Tong</i>	
Effects of Marriage Penalty Relief Tax Policy on Marriage Taxes, Marginal Tax Rates of Cohabiting Couples	588
<i>Emily Lin, Patricia Tong</i>	
Paying for Property Tax Assessment Equity: An Experiment	622
<i>David Sjoquist, Sally Wallace, Jason Delaney</i>	
Structural / Institutional Determinants of Variations in Household Property Tax Burdens Within and Across Local Governments: The Effect of the Great Recession and Beyond	652
<i>John Mikesell, Daniel Mullins</i>	
Ballot Order, Ballot Roll-Off, and Election Outcomes: Evidence from Local Referenda in Ohio	685
<i>Michael Conlin, Paul Thompson, Walter Melnik</i>	
Sourcing of Digital Goods, Services for Sales Tax – the Evolution of a Federal Legislative Proposal	711
<i>Helen Hecht</i>	
Property Tax Delinquency and its Spillover Effect on Nearby Properties	738
<i>Joshua Miller, James Alm, Zackary Hawley, Jin Man Lee,</i>	

VOLUME 2

How Do Homeowners Associations Affect Housing Affordability?	766
<i>Ron Cheung, Rachel Meltzer</i>	
Are Court Orders Responsible for the "Return to the Central City"?: The Consequence of School Finance Litigation	792
<i>Zachary Liscow</i>	
Millionaires or Job Creators: What Really Happens to Employment When You Stick It to the Rich?	849
<i>Ahiteme Houndoungbo, Matthew Murray</i>	
Income and Tax Rates or Life Events: Evidence on Moving Patterns from the District of Columbia	851
<i>Lori Metcalf, Ginger Moored, Yesim Yilmaz</i>	
Decomposing Consumption Inequality: The Contribution of Income Dispersion, Taxation	870
<i>Estelle Dauchy, Nathan Seegert</i>	
The Case of the Missing Strangers: What We Know, Don't Know About Non-Filers	942
<i>James Cilke</i>	

Missing Returns vs. Missing Income: Estimating the Extent of Individual Income Tax Filing Noncompliance From IRS, Census Data	961
<i>Brian Erard, Pat Langetieg, Mark Payne, Alan Plumley</i>	
Some Simple Analytics of the Taxation of Banks as Corporations	982
<i>Timothy Goodspeed</i>	
Take It to the Limit: The Debt Ceiling, Political Brinkmanship,, Treasury Yields	1010
<i>David Cashin, Beth Klee, Cailey Stevens, Erin Syron</i>	
The Impacts of Political Uncertainty on Asset Prices: Evidence From a Natural Experiment	1027
<i>Laura Xiaolei Liu, Haibing Shu, K.C. John Wei</i>	
The Returns to the Federal Tax Credits for Higher Education	1067
<i>George Bulman, Caroline Hoxby</i>	
Federal Financial Aid Eligibility, Student Debt	1136
<i>Alissa Dubnicki</i>	
Borrowing Trouble? Student Loans, the Cost of Borrowing,, Implications for the Effectiveness of Need-Based Grant Aid	1189
<i>Benjamin Marx, Lesley Turner</i>	
The Local Public Sector: Composition, Determinants and Issues of Definition and Measurement	1244
<i>Jameson Boex, Francois Vaillancourt</i>	
Decentralization, Power – Sharing Tensions, Impact on Local Public Service Delivery in Sierra Leone	1261
<i>Mehmet Tosun, Serdar Yilmaz</i>	
Does Inside Debt Moderate Corporate Tax Avoidance?	1262
<i>Thomas Kubick, George Lockhart, John Robinson</i>	
Changes in Corporate Tax Avoidance Over the Past Twenty-Five Years	1307
<i>Scott Dyreng, Michelle Hanlon, Edward L. Maydew, Jacob R. Thorneck</i>	
Overconfidence, Aggressive Corporate Tax Policy	1366
<i>James Chyz, Fabio Gaertner, Asad Kausar, Luke Watson</i>	
The Effect of Federal Depreciation Provisions on the Employment and Capital Expenditures at the State Level	1414
<i>Laura Wheeler</i>	
Taxing Cross-Border Savings Income, EU Directive, US Fatca	1433
<i>Marcel Gérard, Lucia Granelli</i>	
Consumers' Share, Producers' Share of the General Sales Tax	1481
<i>Kathryn Birkeland, Raymond Ring</i>	
Local Sales Tax, Cross-Border Shopping, Distance	1485
<i>Iksoo Cho</i>	

VOLUME 3

Taxing the Job Creators: Efficient Progressive Taxation With Wage Bargaining	1515
<i>Nicholas Lawson</i>	
Demand for “The 1%”: Tax Incidence, Implications for Optimal Income Tax Rates	1560
<i>Richard Green, Mark Phillips</i>	
Policy Uncertainty, Rent Seeking by Firms, CEOs: Implications for Efficiency, Optimal Tax Rates	1604
<i>Seth Giertz, Jacob Mortenson</i>	
The Impact of Local Market Conditions on the Federal Disability Insurance Program: Evidence From the Bakken Oil Boom	1623
<i>Mallory Vachon</i>	
An Unemployment Insurance Scheme for the Euro Area? A Comparison of Different Alternatives Using Micro Data	1658
<i>Mathias Dolls, Clemens Fuest, Dirk Neumann, Andreas Peichl</i>	
Political Fragmentation, Fiscal Policy	1706
<i>Enda Hargaden</i>	
Powerful Cities: Limits on Municipal Taxing Authority, What to Do About It	1737
<i>Erin Scharff</i>	
Tax-Expenditure Limitations, Special District Finance in the Metropolitan Areas	1767
<i>Agustin Leon-Moreta</i>	
Peak Oil, Oil Price Volatility, State Tax Revenue	1788
<i>Jim Peach, Anthony Popp</i>	
Taxing Human Capital	1818
<i>Michael Simkovic</i>	
Income-Based Repayment, the Public Financing of Higher Education	1877
<i>John Brooks</i>	
The Income-Based Repayment Swap: A Novel Mechanism for Financing Legal Education	1941
<i>Benjamin Leff, Heather Hughes</i>	
Does Nonprofit Law Matter? Evidence from the Enactment of UPMIFA	2001
<i>Brian Galle</i>	
<i>Price Fishback, Theresa Gutherlet, John Wallis</i>	2014
Fiscal Adjustment, Balanced-Budget-Rules: Evidence From a Norwegian Reform	2034
<i>Lars-Erik Borge, Arnt O. Hopland</i>	

Strength in Diversity? Fiscal Federalism Among the 50 U.S. States	2056
<i>Teresa Garcia-Mila, Therese McGuire, Wallace Oates</i>	
Local Sales Taxes, Business Activity in the United States	2074
<i>Nicholas Saxon, Mehmet Tosun</i>	
Just Round the Corner? Pros, Cons, Implementation Issues of a Fiscal Union for the Euro Area	2075
<i>Fabrizio Balassone, Sandro Momigliano, Marzia Romanelli, Pietro Tommasino</i>	
Benefiting From a European Fiscal Union? Redistribution vs. Stabilization	2099
<i>Dirk Neumann</i>	
Does Tax Management Play a Role in Sustaining a Competitive Advantage?	2154
<i>Robert Gary, Sanjay Gupta, William Terando</i>	
Does Earnings Lockout Make U.S. Multinationals Attractive to Foreign Acquirers?	2197
<i>Andrew Bird, Alexander Edwards, Terry Shevlin</i>	
The Role of Economic, Fiscal, Financial Shocks in the Evolution of Public Sector Pension Funding	2245
<i>Robert Triest, Bo Zhao</i>	

VOLUME 4

Are Alternative Investments Prudent? Public Sector Pension Use, Fiduciary Duty	2271
<i>Paul Rose, Jason Seligman</i>	
Local Revenue Structure, Pension Liability Funding: Evidence From Government-Wide Financial Statements	2305
<i>Evgenia Gorina</i>	
Uncovering Heterogeneity in Income Tax Perceptions	2343
<i>Michael Gideon</i>	
Perception of Gasoline Taxes and Driver Cost: Implications for Highway Finance	2395
<i>Ronald Fisher, Robert Wassmer</i>	
Anchoring, Adjustment Biases, Local Government Referenda Language	2418
<i>Kenneth Kriz</i>	
Perceptions of Tax Expenditures and Direct Spending: A Survey Experiment	2434
<i>Conor Clarke, Edward Fox</i>	
Capital Taxation Under Political Constraints	2472
<i>Florian Scheuer, Alexander Woltzky</i>	
The Inequality Deflator: Interpersonal Comparisons Without a Social Welfare Function	2517
<i>Nathaniel Hendren</i>	
The World Is Flat: Existing Tax Benefit Systems Approximate a Linear One	2590
<i>Andreas Peichl</i>	
Positive, Normative Judgments Implicit in U.S. Tax Policy, the Costs of Unequal Growth, Recessions	2614
<i>Matthew Weinzierl, Benjamin B. Lockwood</i>	
Some Implications of Preference-Shifting for Optimal Tax Theory	2657
<i>Theodore Seto</i>	
Income Taxation, Risk-Taking	2674
<i>David Hasen</i>	
Employment Effects of Local Corporate Taxes	2714
<i>Sebastian Siegloch</i>	
Testing the Distortions From the Corporate Tax	2746
<i>Elena Patel, Nathan Seegert, Matthew Smith</i>	
Tax Sells – How Do Jurisdictions Attract Firms, How Do Firms React to Mispricings?	2758
<i>Martin Thomsen</i>	
The Effect of Public Pension Wealth on Saving, Expenditure: Evidence From Poland's 1999 Pension Reform	2808
<i>Marta Lachowska, Michal Myck</i>	
Does Raising Contribution Limits Lead to More Saving? Evidence From the 'Catch-Up Limit' Reform	2864
<i>Adam Lavecchia</i>	
Something for Nothing: Using Strategic Interactions in Investment Decisions to Increase the Efficiency of Tax Policy	2918
<i>Elena Patel, Nathan Seegert</i>	
Dividend Taxation, Merger Behavior: A New View Explanation for the Post-Merger Performance Puzzle	2931
<i>Eric Ohrn, Nathan Seegert</i>	
Declining Female Labor Supply Elasticities in the US, Implications for Tax Policy: Evidence From Panel Data	2973
<i>Anil Kumar, Che-Yuan Liang</i>	

VOLUME 5

What Does Income Mobility Reveal About the Tax Risk-Reward Tradeoff?	3011
<i>Lisa De Simone, Lillian Mills, Bridget Stomberg</i>	
Optimal Local Use of Debt With Volatile Revenues, Stable Infrastructure Needs	3062
<i>Yilin Hou, Ping Zhang</i>	
Saving for a Rainy Day: Estimating the Appropriate Size of State Budget Stabilization Funds	3124
<i>Bo Zhao</i>	
Risk Sharing in Local Governments: Are State-Wide Rainy Day Funds the Answer?	3175
<i>Gary Wagner, Erick Elder, C. Luke Watson</i>	

Smoothing State Tax Revenues Over The Business Cycle: Gauging Fiscal Needs And Opportunities.....	3203
<i>Yolanda Kodrzycki</i>	
Do Federal Academic Research, Development Subsidies Crowd Out State Funding of Academic Research?	3241
<i>Yonghong Wu, David Merriman</i>	
Crowding Out, Crowding in: Evidence From a Large Organization.....	3270
<i>Garth Heutel, Grant Gannaway, Michael Price</i>	
Does Income Inequality Increase Charitable Giving?.....	3298
<i>Abigail Payne, Justin Smith</i>	
The Readability of the US Federal Tax System: Some First Results.....	3302
<i>Robert Strauss, Skye Toor</i>	
The Impact of Restaurant Letter Grades on Taxes, Sales: Evidence From New York City	3319
<i>Michah W. Rothbart, Amy Ellen Schwartz, Thad Calabrese, Zachary Papper, Tod Mijanovich, Rachel Meltzer, Diana Silver, Meryle Weinstein</i>	
Tax Compliance and Fiscal Externalities: Evidence from U.S. Diesel Taxation.....	3371
<i>Justin Marion, Erich Muehlegger</i>	
Multiple Myopias, Multiple Selves, the Under-Saving Problem.....	3399
<i>Daniel Shavirio</i>	
The Public Pension Quadrilemma: The Intersection of Investment Risk, Contribution Risk	3474
<i>Andrew Biggs</i>	
Taxation and Liquidity: Evidence from Retirement Savings.....	3503
<i>Elizabeth Chorvat</i>	
Match.edu: College Choice, Assortative Matching.....	3556
<i>Adam Cole</i>	
EITC and Union Formation: The Impact of Expected Spouse Earnings	3557
<i>Katherine Michelmore</i>	
Do Taxes Affect Marriage?	3601
<i>Edward Fox</i>	
Optimal Tax Preferences	3628
<i>Ryan Nunn</i>	
A Quantitative Exploration of the Optimal Design of Child Care Subsidies in a Mirrleesian Environment.....	3642
<i>Spencer Bastani, Sören Blomquist, Luca Micheletto</i>	
Revisiting the Classical View of Benefits-Based Taxation	3649
<i>Matthew Weinzierl</i>	
Use Value Assessment of Rural Land in the United States.....	3680
<i>John Anderson, Richard England</i>	
Instrument Choice for Internality Regulation	3718
<i>Brian Galle</i>	
Recruiting and Retaining High-quality State and Local Workers: Do Pensions Matter?	3720
<i>Geoffrey Sanzenbacher, Jean-Pierre Aubry, Alicia Munnell</i>	
Structuring a Functional State Reserve Fund: Lessons From California.....	3748
<i>Mark Ibele</i>	

VOLUME 6

Making the Internal Revenue Service Work	3767
<i>Jonathan Forman, Roberta Mann</i>	
The Optimal Deterrence of Tax Evasion: The Trade-Off Between Information Reporting, Audits.....	3840
<i>Yulia Paramonova</i>	
Taxes and Financial Constraints: Evidence from Linguistic Cues	3883
<i>Kelvin Law, Lillian Mills</i>	
The Business Investment Response to the Domestic Production Activities Deduction	3945
<i>Eric Ohm</i>	
Firm Tax Uncertainty, Cash Holdings, The Timing of Large Investment.....	3984
<i>Martin Jacob, Kelly Wentland, Scott Wentland</i>	
Millionaire Migration and the Demography of the Elite	4034
<i>Cristobal Young, Charles Varner, Ithai Lurie, Richard Prisinzano</i>	
The Consequences of State Tax Preferential Treatment of the Elderly	4048
<i>Karen Conway, Jonathan Rork</i>	
Taxation, Migration, Innovation: Do Star Scientists Move in Response to Interstate Tax Differences?	4089
<i>Enrico Moretti, Daniel Wilson</i>	
Vanishing Corporate Income, Government Spending in Distribution Models	4101
<i>Patrick Driessen</i>	
Waves, Cliffs: Marginal Earnings Incentives in the Affordable Care Act.....	4140
<i>Bradley Heim, Gillian Hunter, Ithai Lurie, Shanthi Ramnath</i>	
The Impact of the Affordable Care Act Young Adult Provision on Labor Market Outcomes: Evidence From Tax Data	4175
<i>Ithai Lurie, Bradley Heim, Kosali Simon</i>	
Helping Hand or Anchor: The Effect of Public Assistance on Income Mobility Among the Poor	4209
<i>Brett Mullins, Mark Rider, David Sjoquist, Sally Wallace</i>	

An Earned Income Tax Credit Proposal for Chile.....	4243
<i>Claudio Agostini, Marcela Perticara, Javiera Selman</i>	
It's Spending That Matters: From Robust Control Theory to Practical Heuristics.....	4285
<i>Fred Thompson</i>	
Rainy Day Funds, Risk-Sharing, Simple Rules: How Would States Fair?	4304
<i>Gary Wagner, Erick Elder</i>	
Effort and Compliance as Endogenous Taxpayer Decisions	4328
<i>Mark Phillips, Alan Plumley</i>	
Once Bitten, Twice Shy? The Lasting Impact of IRS Audits on Individual Tax Reporting.....	4381
<i>Jason DeBacker, Bradley Heim, Anh Tran, Alexander Yuskavage</i>	
Do Honest Hairdressers Get a Haircut? On Tax Rate, Tax Evasion.....	4416
<i>Tuomas Kosonen, Jarkko Harju, Olli Ropponen</i>	
Evidence on the Responsiveness of Export-Related VAT Evasion to VAT Rates in the EU	4448
<i>Ivan Badinski, Jon Bakija</i>	
Design Changes to the SOI Public Use File (PUF).....	4492
<i>Victoria Bryant, John Czajka, Georgia Ivsin, James Nunn</i>	
Incorporating State Analysis Into a Microsimulation Model Based on the Statistics of Income Public Use File	4512
<i>Surachai Khitatrakun, Gordon Mermin</i>	
Joint Statistical Research Program Update.....	4545
<i>Michael Weber, Barry W. Johnson</i>	
Author Index	