

ECONOMICS 733: TOPICS IN PUBLIC ECONOMICS

Winter 2019

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Office Hours: TBA

Lecture: Thursdays from 9 - 11:50am in KTH 334.

Classes will be held from January 7th to April 5th with no classes week of February 18th.

COURSE DESCRIPTION

This course covers topics in public economics focusing on government revenues (taxation). The course will provide students with an understanding of the core theoretical frameworks used in positive and normative analysis of taxation. Students will also be exposed to recent developments in the applied taxation literature. The main methodology used in the course will be microeconomic theory. By the end of the course, students will be able to read and assess current literature in public economics and its application to policy.

COURSE MATERIALS AND TEXTS

There is no required textbook for this course. Readings will be listed on the Econ 733 Avenue to Learn site. Journal articles can be obtained online through McMaster Library. The following reference textbooks are also either available electronically from McMaster Library or are on one-day reserve for the course at Mills Library:

1. Anthony Atkinson and Joseph Stiglitz, *Lectures on Public Economics*, New York: McGraw-Hill Book Company, 1980.
2. John Leach, *A Course in Public Economics*, Cambridge, UK: Cambridge University Press, 2004.
3. Jean Hindriks and Gareth Myles, *Intermediate Public Economics 2nd Edition*, Cambridge, Mass: MIT Press, 2013.
4. Bernard Salanie, *The Economics of Taxation 2nd Edition*, Cambridge, Mass: MIT Press, 2012.
5. Tresch, Richard, *Public Finance: A Normative Theory: Third Edition*. Amsterdam: Academic Press, 2015.

Information on accessing McMaster Library is at <http://library.mcmaster.ca/offcampusaccess>.

AVENUE TO LEARN

I will be using Avenue to Learn to post relevant course material. Please do not use the email within Avenue to contact me rather please use my McMaster email.

Students should be aware that, when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with me.

COURSE EVALUATION

1. Participation – 5% based on attendance and class discussion
2. Student Presentations – 20%, in-class throughout the term
3. Term Test – 20%, 80 minute in-class on February 28th
4. Referee Report (or equivalent) – 20%, due in-class on April 4th
5. Final Exam - 35%, 120 minutes to be scheduled during the April examination period

Students are expected to attend class and be prepared to discuss the course readings. Each student will be responsible for presenting at least one paper in class. Students are responsible for completing a referee report (maximum 5 pages) or a short paper where the requirements will depend on the student's program of study and interests. Both the in-class test (1.5 hours) and the final exam (2 hours) will consist of short answer questions and will draw on readings and material covered in class.

COURSE POLICIES

Grades

Numerical grades will be converted to letter grades using the following scale:

MARK	GRADE
90-100	A+
85-90	A
80-84	A-
77-79	B+
73-76	B
70-72	B-
Below 70	F

UNIVERSITY POLICIES

Academic Integrity Statement

You are expected to exhibit honesty and use ethical behavior in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behavior can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: "Grade of F assigned for academic dishonesty"), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

1. Plagiarism, e.g. the submission of work that is not one's own or for which credit has been obtained.
2. Improper collaboration in group work.
3. Copying or using unauthorized aids in tests and examinations.

Academic Accommodation of Students with Disabilities

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements. Academic accommodations must be arranged before classes or academic work begins, and for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca. For further information, consult McMaster University's Policy for [Academic Accommodation of Students with Disabilities](#).

Academic Accommodation for Religious, Indigenous and Spiritual Observances

Students who require academic accommodation due to an Observance must submit a RISO form to their Faculty office, electronically or in person, normally within ten working days from the beginning of each term in which they are anticipating a need for Accommodation. For further information, consult McMaster University's [Policy on Academic Accommodation for Religious, Indigenous and Spiritual Observances](#).

Faculty of Social Sciences E-mail Communication Policy

Effective September 1, 2010, it is the policy of the Faculty of Social Sciences that all e-mail communication sent from students to instructors (including TAs), and from students to staff, must originate from the student's own McMaster University e-mail account. This policy protects confidentiality and confirms the identity of the student. It is the student's responsibility to ensure that communication is sent to the university from a McMaster account. If an instructor becomes aware that a communication has come from an alternate address, the instructor may not reply at his or her discretion.

Course Modification

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check his/her McMaster email and course websites weekly during the term and to note any changes.

PRELIMINARY CLASS SCHEDULE

Date	Topic
January 10	Course Introduction
January 17	Review of Welfare Economics, Externalities and Public Goods
January 24	Efficiency Costs of Taxation: Measuring Excess Burden
January 31	Behavioural Effects of Taxation: Labour Supply and Savings (student presentations)

February 7	Behavioural Effects of Taxation: Taxable Income (student presentations)
February 14	Behavioural Effects of Taxation: Tax Avoidance and Evasion (student presentations)
February 28	Term Test (80 minutes) and Optimal Commodity Taxation
March 7	Optimal Income Taxation
March 14	Tax Incidence (student presentations)
March 21	Capital Income Taxation (student presentations)
March 28	Taxation in a Federation (student presentations)
April 4	Corrective Taxation (referee reports due)