



## Course Outline

### EE442 Economics of Public Revenue

Semester 2/2020 (January 20 – May 19, 2021)

<b>Number of credits:</b>	3 credits (3-0-6)
<b>Lecture Time:</b>	Tuesdays and Thursdays, 11.00 – 12.30 hours
<b>Lecture Venue:</b>	Zoom
<b>Instructor:</b>	Asst. Prof. Dr. Duangmanee Laovakul Office: Room 459, 4 <sup>th</sup> Floor, Faculty of Economics Email: duangmanee@econ.tu.ac.th

#### Course Description

The course analyses the structure and composition of government (national and local) revenue, through analysis of tax burden and incidence, and tax effects upon efficiency and equity. The course looks at the empirical effects of tax policies on the economy as a whole, and various individual behaviors such as decisions about work and leisure, tax avoidance and evasion, investment, savings and consumption. The analysis also includes the effects of deficit finance and fiscal decentralization (local revenue, grants and local debt). The application of these tools to selected contemporary topics (social security, healthcare and education financing). Additionally, the class will explore the politics and economics of tax reforms.

**Prerequisites:** EE212 (or EE214) and EE311

#### Course Objectives

- Students can analyze the revenue structures of both central and local governments.
- Students learn to understand the theory of taxation, tax incidence and tax burden shifting.
- Students learn to understand the effects of taxation on resource allocation, efficiency and redistribution.
- Students learn to understand the effects of public debt and tax reform.

## Teaching Materials and Resources

### 1. Required textbooks and readings

1. Rosen, H. and Gayer, T. (2010). *Public Finance*. (9th ed.). Boston, MA: McGraw-Hill/Higher-Education. [Call number: HJ257.2. R63 2010]
2. Stiglitz, J. (2015). *Economics of the Public Sector*. (4th ed.). New York: W.W. Norton & Company. [Call number: FIN HJ 2015 665065]
3. Gruber, J. (2016). *Public Finance and Public Policy*. (5th ed.). New York: Worth Publishers. [Call number: HJ141. G78 2016]
4. Shome, Parthasarathi. Ed. (1995). *Tax Policy Handbook*. Washington D.C.: International Monetary Fund. [Call number: HJ2305. T38]

### 2. Recommended reading lists

1. Vito Tanzi, and Howell H. Zee, *Tax Policy for Emerging Market: Developing Countries*, IMF Working Paper, March 2000.
2. Roy Bahl, and Richard Bird, *Tax Policy in Developing Countries: looking Back and Forward*, Working Paper Series, Joseph L. Rotman, School of Management, University of Toronto, May 2008.
3. Alan J. Auerbach, and James R. Hines Jr., *Taxation and Economic Efficiency*, NBER, February 2001.
4. Richard Bird, and Eric M. Zolt, *Introduction to Tax Policy Design and Development*, World Bank, May 2003.
5. Varunyuwattana, Sakon and Duangmanee Laovakul. (2010). "Progress of Fiscal Decentralization in Thailand," in *Impacts & Challenges of Decentralization Policy towards Democratization and Development (A Comparative Perspective between Thailand and Indonesia)*, Proceeding in International Joint Seminar, Yogyakarta, Indonesia: Laboratory of Governmental Studies, University of Muhammadiyah.
6. Laovakul, Duangmanee. (2016). "Property Tax in Thailand: An Assessment and Policy Implications." *Thammasat Review of Economic and Social Policy*. Vol. 2, No.1, January-June 2016, p.24-53.
7. Laovakul, Duangmanee. (2019). *Fiscal Decentralization and Governance in Thailand*. In Junghun, K., and Sean, D. (Eds.), *Fiscal Decentralisation and Inclusive Growth in Asia*. (p.209-234). OECD Fiscal Federalism Studies. OECD Publishing, Paris. DOI: <https://doi.org/10.1787/25cf7545-en>.

## Teaching Plans

Date	Topic	Reading Lists
Jan 21, 2021	Topic 1 Public Economics and the Role of Public Sector in the Economy	Stiglitz, chapter 1-2 Rosen and Gayer, chapter 1
Jan 26, 2021	Topic 1 (continued)	
Jan 28, 2021	Topic 2 Tools of Positive and Normative Analysis	Rosen and Gayer, chapter 2-3
Feb 2, 2021	Topic 3 Introduction to Taxation	Stiglitz, chapter 17 Shome, chapter 1 and 3-4
Feb 4, 2021	Topic 4 Thailand Revenue Structure	Powerpoint
Feb 9, 2021	Topic 5 Tax Incidence	Rosen and Gayer, chapter 14 Stiglitz, chapter 18 and 23, p. 713-726 Shome, chapter 2, p. 35-45
Feb 11, 2021	Topic 5 (continued)	

Feb 16, 2021	Topic 6 Taxation and Economic Efficiency	Rosen and Gayer, chapter 15 Shome, chapter 2, p. 25-29 Stiglitz, chapter 19
Feb 18, 2021	Topic 6 (continued)	
Feb 23, 2021	Topic 6 (continued)	
Feb 25, 2021	Topic 7 Optimal Taxation	Rosen and Gayer, chapter 16
Mar 2, 2021	Topic 7 (continued)	
Mar 4, 2021	Topic 7 (continued)	
Mar 9, 2021	Topic 8 Personal Income Tax	Rosen and Gayer, chapter 17 Stiglitz, chapter 22
<b>Mar 16, 2021</b>	<b>Midterm exam (Topic 1-7)</b>	<b>12.00 (noon) – 2.00 PM</b>
Mar 18, 2021	Topic 9 Personal Income Taxation and Household Behavior	Rosen and Gayer, chapter 18
Mar 23, 2021	Topic 9 (continued)	
Mar 25, 2021	Topic 9 (continued)	
	<b>Submit Short Paper</b>	
Mar 30, 2021	Topic 10 Corporate Income Tax	Rosen and Gayer, chapter 19 Stiglitz, chapter 23
Apr 1, 2021	Topic 10 (continued)	
<b>Apr 6, 2021</b>	<b>Chakri Memorial Day</b>	
Apr 8, 2021	Topic 10 (continued)	
Apr 13, 15, 2021	<b>Songkran Festival</b>	
Apr 20, 2021	Topic 11 Tax Avoidance and Tax Evasion	Stiglitz, chapter 24 Rosen and Gayer, chapter 16, p. 369-375
Apr 22, 2021	Topic 12 Public Debt	Stiglitz, chapter 28
Apr 27, 2021	Topic 12 (continued)	
Apr 29, 2021	Topic 12 (continued)	
<b>May 4, 2021</b>	<b>Coronation Day</b>	
May 6, 2021	Topic 13 Local Public Finance	Rosen and Gayer, chapter 22
May 11, 2021	Topic 13 (continued)	
May 13, 2021	Topic 13 (continued)	
May 18, 2021	Topic 14 Tax Reform <b>Submit Term Paper</b>	Gruber, chapter 25 Rosen and Gayer, chapter 21 Stiglitz, chapter 25
<b>May 28, 2021</b>	<b>Final exam (Topic 8-14)</b>	<b>1.30 PM – 4.30 PM</b>

#### Evaluation Methods

1) Short Paper	10%
2) Term Paper	20%
3) Midterm Exam	30%
4) Final Exam	40%