



# B.E. International Program

## Faculty of Economics, Thammasat University



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### Course Outline for EE 442 Economics of Public Revenue

**Number of credits:** 3 credits (3-0-6)

**Lecture Time:** 11:00-12:30, Tuesday – Thursday

**Lecture Venue:** Online/Hybrid

**Instructor:** Dr. Brian Kennedy

Office Rm. 460 Econ

Email: [bpk@econ.tu.ac.th](mailto:bpk@econ.tu.ac.th),

Office hours: by appointment, though I will announce set hours  
once the pandemic conditions are a bit more clear

**Google Classroom Code:** imtqdjj

**Zoom Meeting ID:** 942 6843 4654

**Zoom Passcode:** 771946

**Course Description:** The analysis of the structure and composition of government revenues; Theory of taxation; Tax burden; Tax incidence; Taxation and efficiency; Taxation and equity; The effects of taxation on individual decision to perform economic activities, such as working, saving, investment and risk bearing. The difference between tax avoidance and tax evasion; The definition and effects of public debts on fiscal decentralization to local government; The study and analysis of the revenue structure; Subsidies allocation criteria and the effects of subsidies given to local governments on economic activities and social welfare; The analysis of tax reform and comparative studies of international experiences in tax reform.

**Prerequisites:** Prerequisites: EE212 (or EE214) and EE311. The course will require basic and intermediate micro-economics.

### Main Textbook:

The main textbook for the course will be,

Rosen, Harvey, and Gayer, Ted, *Public Finance*.

Additionally, students can supplement their reading with

Stiglitz, J., *Economics of the Public Sector*, W.W. Norton & Company 3rd ed., 1999.

Additionally, there will be supplemental reading throughout the semester, drawn from current literature, which will be used to illustrate the principles taught in class. These readings will be posted to moodle (moodle code 3571), and will be available on my website.

### Other Recommended Books:

Gruber, J., *Public Finance and Public Policy*, Worth Publishers 2nd ed. 2007.

Parthasarathi Shome, Ed, *IMF Tax Policy Handbook*, Fiscal Affairs Department, IMF, Washington D.C., 1995.

### Other Readings:

(I will post links to some of these, or the articles, on google classrooms) These readings may be referred to in class, I will announce before the class. For the Thai articles, I will be reading through a translation program, so be warned....

Vito Tanzi, and Howell H. Zee, Tax Policy for Emerging Market: Developing Countries, IMF Working Paper, March 2000.

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.

Alan J. Auerbach, and James R. Hines Jr., Taxation and Economic Efficiency, NBER, February 2001.  
Richard Bird, and Eric M. Zolt, Introduction to Tax Policy Design and Development, World Bank, May 2003.

Varunyuwattana, Sakon and Duangmanee Laovakul, "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, 2010.

Some optional Thai articles (I have read software generated translations of these, but claim no great knowledge of them) include

### Teaching Plan and Class Schedule

Date	Topic	Readings
Week 1	Section I	Stiglitz, chapter 1 Rosen and Gayer, chapter 1

Date	Topic	Readings
Week 2	Section 2 (Tools of Positive and Normative Analysis)	Rosen and Gayer, chapter 2-3
Week 3	Section 3 (Introduction to Taxation)	Rosen and Gayer, chapter 4,5 and 6 (selected readings) Stiglitz, chapter 17
Week 4	Section 4 (Thailand Revenue Structure)	
Week 5 and 6	Section 5 (Tax Incidence)	Rosen and Gayer, chapter 14 Stiglitz, chapter 18 and 23, p. 648-659
Week 7	Section 6 (Taxation and Economic Efficiency)	Rosen and Gayer, chapter 15 Stiglitz, chapter 19 and 23, p. 518-532
March 4	Midterm Exam	
Week 8	Section 7 (Optimal Taxation)	Rosen and Gayer, chapter 16
Week 9	Section 8 (Personal Income Tax)	Rosen and Gayer, chapter 17 Stiglitz, chapter 22
Week 10	Section 9	Rosen and Gayer, chapter 18
Week 11	Section 10 (Corporate Income Tax)	Rosen and Gayer, chapter 19 Stiglitz, chapter 23 6
Week 12	Section 11 (Tax Avoidance)	Rosen and Gayer, chapter 14, p. 349-354. Stiglitz, chapter 24
Week 13	Section 12 (Public Debt)	Stiglitz, chapter 28
Week 14	Section 13 (Tax Reform)	Rosen and Gayer, chapter 21 Stiglitz, chapter 25
Week 15	Section 14: Final Thoughts	Rosen and Gayer, chapter 22.
May 1	Final Exam Review	TBA
May 16	Final Exam	

#### Course Evaluation:

Type of evaluation	Evaluation Method	Evaluation date
Midterm Exam	40%	Tuesday, 8 March, 11:00 – 12:30

<b>Type of evaluation</b>	<b>Evaluation Method</b>	<b>Evaluation date</b>
Final Exam	50%	Friday, May 30, 9:00 – 12:00
Class Attendance/Discussion	10%	