

CES Lecture Series

New Evidence on Real Responses to Corporate Taxation

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Lecture 1: Reduced-Form Approaches to Measuring Firm Responses

Lecture 2: Structural Approaches to Modeling Firm Responses

Course Outline

This lecture series will cover recent approaches to quantifying the real effects of corporate taxation. The first lecture will cover reduced-form approaches to measuring the effects of tax changes on firm investment and employment. In addition, this lecture will emphasize regional approaches to characterizing the effects of different tax changes. The second lecture will take a structural approach that builds on reduced-form effects of taxation. This approach will highlight how dynamic considerations and evasion responses affect firms' responses to taxation. The second lecture will also explore how to use structural models of investment to simulate the effects of different policy changes.

Lecture 1: Reduced-Form Approaches to Measuring Firm Responses

Reading list:

Suarez Serrato, Juan Carlos (2018) "Unintended Consequences of Eliminating Tax Havens" NBER Working Paper w24850

http://www.jcsuarez.com/Files/Suarez_Serrato_UCETH.pdf

Garret, Ohn, and Suarez Serrato "Tax Policy and Local Labor Market Behavior" May 2019, forthcoming, American Economic Review: Insights

http://jcsuarez.com/Files/GOSS_BONUS.pdf

Section III.B and IV of NBER Working paper version

http://jcsuarez.com/Files/GOSS_BONUS_NBER.pdf

Moon, Terry (2019) "Capital Gains Taxes and Real Corporate Investment"

https://scholar.princeton.edu/sites/default/files/terrismoonth/files/jmp_terrismoonth.pdf

Lecture 2: Structural Approaches to Modeling Firm Responses

Reading list:

Chen, Zhao, Liu, Zhikuo, Suarez Serrato, Juan Carlos, and Xu, Daniel "Notching R&D Investment with Corporate Income Tax Cuts in China" NBER Working Paper w24749

http://jcsuarez.com/Files/Chen_et_al.pdf

Chen, Zhao, Jiang, Shian, Liu, Zhikuo, Suarez Serrato, Juan Carlos, and Xu, Daniel "Tax Policy and Lumpy Investment Behavior: Evidence from China's VAT Reform" Working Paper

http://jcsuarez.com/Files/China_VAT.pdf