

ECON 472 — Public Finance: Taxation and Fiscal Federalism Syllabus, Spring 2020

MEETING TIME Tuesday and Thursday, 12:40–1:55 p.m., HBB 130.

FACULTY Dr. Enda Patrick Hargaden
INFORMATION Stokely Management Center 702
Email: enda@utk.edu
Office Hours: Tues 2:00–3:30 p.m., or by appointment.

COURSE DESCRIPTION This course provides students with an introduction to the theory and practice of taxation in the United States. The course begins with discussion of methods for analyzing tax policy. Following an in-depth treatment of the theory of tax incidence and notions of equity and efficiency as they relate to taxation, we will embark upon a detailed analysis of personal, corporate, and consumption taxes as they exist in the U.S. and elsewhere. Among the special topics that we will discuss are the effects of taxes on consumer and firm behavior, and arguments for and against tax reform.

RESOURCES FOR THE COURSE **Textbook:** Gruber (2019) *Public Finance and Public Policy*, Sixth Edition: Worth Publishers.
You really do not need to spend \$100 on a textbook. The fourth or fifth editions, which are available second-hand online, are absolutely fine.

COURSE REQUIREMENTS The course grade will be based on three exams (two midterms on dates TBD, and one at the university-assigned final exam date/time, which is 2:45–4:45 p.m. on April 28), problem sets, pop quizzes, and class participation including attendance.

Exam 1	20%
Exam 2	20%
Exam 3	20%
Problem Sets	30%
Pop Quizzes	5%
Class Participation	5%

No make up exams will be given except as required by University of Tennessee policy in cases of excused absences. In other cases, the remaining exams will be reweighted to total 60 percent if an exam must be missed. A zero is given if an exam is missed without an absence notification from the Dean of Students. Thirty percent of your grade will be assessed from several problem sets assigned periodically during the semester. Late problem sets will not be accepted. Two pop quizzes, which may be unannounced and given at any time during the class, will also be

given. The higher of your pop quiz results will count as your grade for that component of the course. No make up pop quizzes will be given. You should email Prof. Hargaden a picture of a dinosaur during the first week of class. Five percent of your grade is allocated to class participation, including attendance.

RULES OF THE GAME I always promote a welcoming environment in class. Please ask for help if you don't understand something: there are no stupid questions, and you will probably earn participation credit for being engaged. However I have four rules:

1. Turn your phones and laptops off. After the first day of class, laptops may only be used in designated desks or by prior arrangement.
2. Do not interfere in your classmates' learning experience.
3. Classroom attendance will be taken randomly and will be given strong consideration in the assignment of final grades.
4. The class will be conducted in accordance with all University rules pertaining to honesty and cheating.

SCHEDULE Below is a guideline of what we will cover in the course. All dates listed in the syllabus are tentative and subject to change. Final dates for material and exams will be provided in advance in class. **Dates are approximate.**

	Topic	Approximate Date	Supplementary Reading
1	Introduction & Background		Chapters 1, 18
2	Tax Incidence		Chapter 19
3	Taxation and Efficiency		Chapter 20
4	Externalities		Chapter 5
	<i>Exam 1</i>	February 6	
5	Fiscal Federalism		Chapter 10
6	Taxation and Redistribution		Chapters 12–14
7	Taxation and Labor Supply		Chapter 21
8	Capital and Corporate Taxation		Chapters 23–24
	<i>Exam 2</i>	March 17	
9	Tax Evasion and Tax Avoidance		Notes
10	Optimal Commodity Taxation		Chapters 20.2, 25
11	Optimal Income Taxation		Chapter 20.3
12	Modern/Behavioral Public Finance		Notes
	<i>Exam 3</i>	April 28	

GRADING SCALE I will use the following scale to assign final course grades: 92 to 100% is an A; 90 to 92% is an A-; 87 to 90% is a B+; 82 to 87% is a B; 80 to 82% is a B-; 77 to 80% is a C+; 70 to 77% is a C; 65 to 70% is a C-; 60 to 65% is a D+; 50 to 60% is a D; and less than 50% is an F. If necessary, I reserve the right to implement a curve to achieve a more reasonable distribution of grades; but this is unlikely so do not rely on a curve to save you.

PLAGIARISM “An essential feature of The University of Tennessee is a commitment to maintaining an
AND ACADEMIC atmosphere of intellectual integrity and academic honesty. As a student of the University, I
HONESTY pledge that I will neither knowingly give nor receive any inappropriate assistance in academic
work, thus affirming my own personal commitment to honor and integrity.”

Each student should have read and signed the Honor statement regarding academic integrity available on the Hilltopics website. The punishment for violation of academic integrity is an F in the course. Please see <http://hilltopics.utk.edu/student-code-of-conduct/> for more information.

STUDENTS WITH Any student who feels he or she may need an accommodation based on the impact of a disability
DISABILITIES should contact the Office of Disability Services (ODS) at 865-974-6087 in 2227 Dunford Hall to
document their eligibility for services. ODS will work with students and faculty to coordinate
reasonable accommodations for students with documented disabilities.