

Index

- Aaberge, R. 120, 231, 234
Aaron, H. J. 557n., 606
abatement costs 458, 528
Abel, A. B. 588
ABI 1307
ability to pay 554–5, 607, 609, 633
Abowd, J. 626, 627
Abramovsky, L. 1080, 1250n., 1258n., 1259
accessions tax *see* donee based tax
accountability 1273, 1312–14
 by parliament 1206–7
 and fiscal rules 1268–9
accountability models 1264
Acemoglu, D. 604n.
Ackerman, B. 778
Adam, E. K. 323
Adam, S. 1, 13n., 21n., 37n., 40n., 79, 86, 97n.,
 128n., 134n., 135, 147n., 186, 249, 725,
 843n., 1045, 1062n., 1065, 1078, 1079,
 1135
Adams, P. 623
Adams, R. M. 498
Adda, J. 120, 220, 238
addiction 320–1, 416
 rational 409, 412
additional personal allowance (APA) 16–7
adjusted gross income (AGI) elasticity 240
administration:
 best practice 1168
 current environment of 1164–5
 management of 1167–8
 modernization 1174–6
 organization of 1176–7
 performance indicators 1177
 UK system assessed 1127–34
 VAT 294–6, 305
administration costs 435, 761, 1106, 1129
 benefits and tax 92, 96
 and compliance costs 1102
 determinants of 1119–22
 donee-based system 795–6
 HMRC 1132–3, 1141–2
 marginal 1173
administrative burden 85, 87, 1133–4, 1142,
 1178, 1186
Adonis, A. 1224
advance disposal fees 490, 501–2, 510
advance corporation tax (ACT) 71, 844
age-dependent taxes 636–7
agents:
 fully rational 556–7
 rational 568
 small 550
 time-consistent 427
 with infinite horizon 574–80
 withholding 1147
aggregates levy 66, 495–6
aggregation issues 679, 706
Aghion, P. 1076, 1078
agricultural relief 740, 743, 753, 798–9
agriculture 384
Aguilar, M. 621
Ainslie, G. 618
Ainsworth, R. T. 313n., 315
Air Passenger Duty (APD) 65, 486–7
airport tax 488
Aiyagari, S. R. 578
Akerlof, G. A. 126, 199, 1112n.
Albanesi, S. 568n.
alcohol:
 cross-border shopping 346–7
 differential tax 419
 excise duties 276–7, 327–8, 353–4;
 changing 28–31; specific versus ad
 valorem 330
 externalities 320–1, 325–7, 354, 409–10, 418
 revenue-raising efficiency 319
Alesina, A. 123n., 1228, 1239, 1295n.
Allingham, M. G. 570, 1115
allocation, free 462, 466
allowance auctions 534
Allowance for Corporate Equity (ACE) 839,
 877, 916, 1006
 mechanics of 978–81
 plus RRA 1069–71
 practicability 988–9
 rationale for 973–8
 transition to 980–1
Alstott, A. 778
Alt, J. E. 300, 1080, 1086, 1204, 1213, 1280,
 1285, 1289, 1292, 1294, 1300
Altig, D. 585
altruism 688, 764, 767, 771, 818, 820, 1228
Altshuler, R. 856n., 858, 930, 1004, 1005n.
Alworth, J. 997
Amadeus 902

- Amador, M. 602n.
 Ameriks, J. 616n.
 Anderberg, D. 125, 180, 182
 Andorra 947
 Andreoni, J. 771, 818n.
 Angeletos, G.-M. 413, 602n., 717
 Annual Investment Allowance 846
 anti-avoidance techniques 1150–1, 1154–5
 see also tax avoidance
 Arachi, G. 999n.
 Arellano, M. 217n., 229
 arm's length prices 870–1, 922–3, 968, 1004–5
 arm's length principle 972
 Arrow, K. 652
 Arrufat, J. 120, 231
 assets 47–8
 business 985
 final worth of 49–50
 intangible 969, 1069, 1073
 owners 885, 930
 price rise 827, 834
 private 985
 profile of holdings 692–9
 valuation 784
 AstraZeneca 1254, 1256
 Atkeson, A. 558n.
 Atkinson, A. B. 106, 107, 108n., 284, 286, 523,
 552, 555, 559–64, 566, 568–73, 571–3, 574,
 578, 580, 600, 611, 612, 634, 650–1, 659,
 662, 666, 671, 778, 819, 820n., 821, 829n.,
 834, 1045n.
 Attanasio, O. P. 620, 622, 624, 675, 684, 697,
 704, 706, 707, 708, 709, 710, 712, 715, 716,
 719, 720, 721, 723n., 724, 725, 726
 Auerbach, A. J. 294, 308, 551n., 585, 602n.,
 605n., 606, 837, 850, 858, 862, 866, 868n.,
 885n., 888n., 894–6, 900, 901, 906–7,
 918n., 924, 932, 988, 1001, 1011, 1015n.,
 1047
 Aujean, M. 306, 402n.
 Austen-Smith, D. 1239
 Australia 759, 906, 909
 capital transfer tax 758
 carbon trading 526
 estate duty 800
 GST 1221
 Simplified Tax System 82
 Tax Office (ATO) 1165, 1166, 1183
 VAT 301, 304, 307, 366, 370
 Austria 374, 898, 947
 aviation 426, 509
 externalities 487
 taxes 485–8
 Aviation Service Agreements (ASAs) 485
 Bacica, I. 399n.
 Bagwell, K. 575n., 767
 Baker, M. 627
 Baldwin, R. E. 927
 Ballard, C. 443
 Balls, E. 1286
 Bankman, J. 552n., 558n.
 Banks, J. 187, 188, 548, 617–18, 620, 623, 624,
 649, 651, 652, 654, 657, 659, 660, 664, 678,
 682, 697, 703, 706, 707, 710, 715, 720–1,
 722, 725, 726, 728, 762, 775, 822, 827n.
 Bannock, G. 1075
 Barendregt, J. J. 324
 Barker, K. 46n.
 Baron, I. 1169
 Barr, N. A. 34n., 1139
 Barrett, S. 450n.
 Barro, R. J. 818n., 1248, 1264
 Barrow, M. 494
 Bartelsman, E. J. 902, 931
 Bath Study 1142, 1143
 Baughman, R. 127n.
 Baylor, M. 364
 BBA 1307
 Beaudry, P. 197
 Beausejour, L. 364
 Becker, G. S. 321, 409, 411, 412, 414, 415, 416,
 1116
 Becker, J. 955n., 1011n.
 Beetsma, R. M. 902, 931
 behavioural responses 95, 96, 101, 162
 Belgium 304, 373, 490, 898, 906, 947
 Bell, K. 147n.
 Bénabou, R. 543n., 1239
 benefits 212–14, 248, 1045n.
 administration cost 92, 146, 150
 assessment period 131–4
 child 128, 142
 and contributions 1265
 current system 92–3, 96, 135
 hours rules 141–2
 low-income families 92
 overpayments 132–3, 152
 participation 214–17
 reform 144–62
 taper rates 152
 taxable 1135
 withdrawal 212
 Benjamin, D. J. 616, 617, 724
 Benneyworth, R. 1082
 bequest model 817
 bequests 634, 658
 accidental 764, 767, 819
 altruistic 764, 767
 motives for 817–19
 planned 576–8, 580, 819
 strategic 764, 768, 818
 utility of 767

- bequests (*cont.*)
 voluntary 764
 see also inheritance tax
 Berger, P. 1222, 1250
 Bergstrom, T. C. 1240
 Berle, A. 858
 Berlusconi, S. 1212
 Bernanke, B. S. 713
 Bernheim, B. D. 575n., 597n., 598, 618n.,
 619n., 620, 721, 724, 767, 769, 779, 818n.
 Beshears, J. 598
 Besley, T. 200, 284, 349n., 931, 1264,
 1266n.
 Besson, E. 282
 betting and gaming duties 66–7
 Bettinger, E. 616
 Betts, J. R. 630
 Billings, B. A. 1222
 biodegradable municipal waste (BMW) 494,
 495
 biofuels 480–1
 Birch, D. 1075
 Bird, R. M. 291n., 305, 306, 310, 340, 363,
 364n., 370n., 381, 910, 998n., 1124
 Bjuggren, P. 1084, 1085
 Black, F. 859
 Blackorby, C. 197
 Blair, T. 1217, 1286, 1287, 1288, 1289
 Bleaney, M. F. 282
 Blinder, A.S. 1295n.
 Blomquist, S. 595n.
 Bloom, N. 753, 1085, 1222, 1250
 Blow, L. 26n., 224, 225, 241, 477n., 1055
 Blumenthal, M. 1118n.
 Blundell, R. 36n., 116, 123, 126, 178, 186,
 204n., 207sp, 216, 217, 223n., 227, 229,
 232, 235, 236, 242, 245, 620, 630, 680n.,
 706, 712, 715, 720–1, 722
 Boadway, R. 197, 282, 286n., 287, 294, 573n.,
 577n., 665, 666, 737, 816, 830n., 832, 877,
 975, 1084, 1085
 Boeri, T. 1298n.
 Bohm, P. 429n., 502
 Bollard, A. E. 388n.
 Bolton, J. 1035
 Bolton, N. 1228n., 1244n.
 Bond, S. 27n., 46n., 874n., 877n., 883n., 885n.,
 886n., 949n., 974, 976, 978n., 1070
 bonus schemes 1155
 border tax adjustments (BTAs) 373, 465–6
 Bordignon, M. 989n.
 Borghans, L. 618
 borrowing:
 ability 620
 constraints 569
 encouraged by tax bias 857–8
 Börsch-Supan, A. 621
 Boskin, M. 123n., 124, 669
 Bottazzi, R. 708, 712n., 716, 722
 Bourn, J. 1132, 1138, 1194
 Bovenberg, A. L. 334, 429n., 435, 443, 444,
 445, 449, 461, 541, 570
 Bowler, T. 125n.
 Boyle, E. 1045
 Boyns, N. 1078
 bracket creep 1218, 1267
 Bradford, D. F. 557n., 606, 862, 988, 1001
 Braithwaite, J. 87
 Braithwaite, V. 1165
 Brakman, S. 1001, 1003
 Brandolini, A. 523
 Brannon, G. 82
 Brazier, A. 1292
 Brazil 381, 877
 Brechling, V. 468
 Brennan, G. 936, 1268
 Bressers, H. T. A. 440
 Brett, C. 669n., 931n.
 Brewer, M. 36n., 40n., 60n., 90, 111n., 123n.,
 125, 127, 128n., 133n., 134n., 147n., 174,
 184, 193, 197, 232, 241, 652
 Breyer, S. 594n.
 Brisson, I. E. 502
 British Household Panel Survey (BHPS) 624,
 630, 688–9
 British Social Attitudes (BSA) 1209, 1226,
 1229, 1235, 1236, 1241, 1280, 1281, 1304
 Broad, A. 399n.
 Brochner, J. 939, 941, 942
 Broke, A. 83
 Bromley, C. 1229
 Broome, J. 452
 Brown, G. 1212, 1215–16, 1252, 1280, 1281,
 1285–9, 1290, 1300
 Brown, R. 82
 Brown, S. A. 616, 617
 Browne, J. 1, 13n., 19n., 37n., 40n., 79, 86, 249,
 725, 843n., 1045
 Browning, M. 288, 697, 706, 709, 712, 713
 Bruce, N. 877, 975
 Brueckner, J. 931n.
 Brugiavini, A. 719
 Brumberg, R. 681
 Brunton, C. 395n.
 BT 1254
 Buccioli, A. 718
 Buchanan, J. M. 599n., 610, 936, 1268
 Budd, A. 1273
 Budget (2007) 1065
 budget constraint 97, 130, 215
 IFS 153–6
 lone parents 98, 135–6

- low-middle earners 142
- no children 138
- budget sets 253, 582, 607, 609
 - convex 208–9, 218
 - non-convex 213–14, 218, 230, 252
- budgeting, two-stage 217
- Buettner, T. 931n.
- buffer-stock model 688
- Bulgaria 315
- Burman, L. 557n.
- Burnett, Lord 751n.
- Burtless, G. 204n., 208n., 226n.
- Bush, G. 749, 750
- business:
 - cycle 1079
 - non-corporate 988
 - property 798–9, 804
 - reliefs 740, 753, 798–9
 - as tax collector 1102, 1124–6, 1127
 - see also* corporations; firms; small business
- Business Enterprise R&D 1258
- Business Names Act (1985) 1041n.
- business rates (National Non-Domestic Rates)
 - 32, 44, 46, 73–4, 738, 806, 1223n.
- Butler, A. 1224
- Butler, D. 1287
- Bynner, J. 778
- Bynum, D. Z. 500

- C-efficiency 365, 388
- Cadbury Schweppes* 951, 965
- Calcott, P. 503n.
- Calderon, C. A. 1002
- Campbell, J. Y. 705, 706, 707, 713, 716, 723n.
- Canada 759, 906
 - capital taxes 758
 - Carter Report 907
 - estate duty 800
 - GST 364, 1221
 - profit-shifting 931
 - Revenue Agency 1166
 - savings 619
 - VAT 287, 340, 370, 381
- capital 856
 - accumulation 237, 238, 819–20
 - cost of 939–40
 - human 220–1, 237, 238, 252, 579, 634
 - international flows 850, 864
 - return on 188–9, 926–7
 - stock 928, 1012, 1015–16
- capital export neutrality (CEN) 926, 952–3, 956–9
- capital gains tax 12, 21–2, 67, 740, 744, 758
 - on death 800–2, 809, 811
 - and inheritance tax 760
 - international issues 802
 - long-term 1012
 - on residents 45
 - taper relief 1079
 - and wealth transfer tax 789–90
- capital import neutrality (CIN) 926, 952–3, 971
- capital income:
 - from profits 1013–15
 - monitoring 982–3
 - proportional 984
- capital income tax 549–50, 776, 826–7
 - with earnings tax 634–5
 - flat 983–4
 - and labour income tax 1032–3
 - marginal 553–4, 635
 - reasons for low rate 1064–5
 - reform 981–6
 - residence-based 947–8
 - and tax competition 669–70
 - zero 650–1
- Capital Ownership Neutrality (CON) 953–4, 958, 960, 971, 1017
- capital tax 6, 549–50, 826–8, 918
 - defined 923–4
 - incidence 924
 - linear 563n., 567, 579
 - marginal rates 550
 - misplaced emphasis 1010
 - optimal 557–80, 826, 927–9
 - reform 11
 - revenues 828
 - source of 1010–13
 - zero 552, 558, 566, 575
- capital transfer tax (CTT) 21, 758, 793
- capital wealth grant 780–1
- capital-exporting country 886
- capitalization rules 899, 930, 950, 976
- Caplin, A. 616n.
- carbon:
 - budgets 531–2
 - external costs 453–4n.
 - leakage 465
 - price 451–4, 508, 522, 527–8, 529
 - social cost 452–3
 - trading 458–9, 525–6
 - see also* emissions trading scheme; greenhouse gases
- carbon capture and storage 534
- carbon tax 86, 427, 442, 482, 507
 - business costs of 464
 - and consumption 468
 - design of 456–8
 - differential rates 466
 - distributional effects 467–8
 - with emissions trading 458–9
 - equity 546

- carbon tax (*cont.*)
 exemptions 465
 international aspects of 545–6
 primary 456–7
see also climate change; environmental tax
- Carbonnier, C. 279n.
- Card, D. 625, 626, 627
- Carey, D. 933
- Carney, W. 1042
- Carroll, C. D. 597n., 598, 619, 626, 705, 710
- cars:
 company 473
 emissions 480, 481
 sales information 481
 uniform tax rate 482–3
- Carter, Lord 87
- Carter Review 1145n.
- Case, A. 592, 931n., 1264
- cash flow tax 331–7, 335–7, 839, 906, 907, 907–8, 910
see also destination-based tax
- cash flow treatment 1060, 1083n.
- categorical programmes 199
- CBI 1307
- censoring 228
- CFC regime 1004–5
- Chaloupka, F. J. 321
- Chamberlain, E. 737, 816, 832, 1045, 1065, 1084, 1085
- Chamley, C. 552, 571, 575, 577, 578, 580, 603, 604n., 634, 651, 653, 655, 820, 868
- Chari, V, V 558n.
- charitable donations 769–70, 774–5
- Chemical Industries Association (CIA) 1256
- Chennells, L. 932, 1084
- Chernozhukov, V. 724
- Chetty, R. 364n.
- Chiappori, P.-A. 125, 126, 216, 235
- child tax credit (CTC) 17, 59–60, 133, 146, 148, 248
- Child Trust Fund 778
- Childcare Tax Credit 590
- children:
 marginal willingness to spend on 126
 resource allocation 216–17
 treatment of 126–8
see also benefits; families; households
- Chile 1183
- Chittenden, F. 1080, 1082
- Choné, P. 197, 567n.
- Christian, C. 1118n.
- Christiansen, V. 287n., 347n., 571
- Christiansen, K. 1127n.
- CIOT (Chartered Institute of Taxation) 1083
- Clark, T. 37n., 38n.
- Clarke, K. 749n., 1280, 1285
- Clarkson, R. 453
- Clean Development Mechanism (CDM) 526
- clearing house system 377–8
- climate change:
 costs of action and inaction 533
 economic costs of 452
 future generations 452
 policy design 537–40
 quantity versus price mechanisms 533–4
 the science 520–2
 uncertainty 521–2
see also carbon tax
- climate change levy (CCL) 66, 427, 455, 531, 1305
see also environmental tax
- Cline, R. 1127n.
- close company 1036
- Crossen, S. 291n., 306, 310n., 333, 338, 370, 372, 373, 375n., 377, 380, 382n., 388n., 391n., 394n., 397, 429n., 982n.
- Coate, S. 200, 1247, 1248, 1257
- Coate, D. 321
- Cocco, J. 716, 723n.
- Cochrane, J. H. 713
- Cockfield White Paper 377
- Code for Fiscal Stability 1268
- Cogan, J. 228, 229
- cognitive ability 616
- Cohen, B. M. 1247
- Cohen, M. 82, 434n.
- Colbert, J.-B. 832, 1271
- Collard, D. 84
- Collison, D. 1051
- Colmar, B. 310n.
- command-and-control policies 537
- Commission on Taxation and Citizenship 757
- commitment devices 413
- commodity tax 283–91, 319–27, 652
see also Value Added Tax
- Common Consolidated Corporate Tax Base (CCTB) 968–70
- community charge (poll tax) 32, 1223–5, 1263
- Companies Act (1947) 1035n.
- Companies Act (2006) 1043, 1087
- complementary commodities:
 and leisure 288–9
 and work 289–90
- compliance 816, 1165
 VAT 294–6, 305, 311–16
- compliance costs 150, 337–8, 394–7, 1106, 1129, 1149, 1197
 and administration costs 1102
 determinants of 1119–22
 distribution of 1110–11, 1121
 marginal 1173

- measuring
 - 1178–9
 - to HMRC 1133–4, 1142–3
 - to small businesses 1080–4
 - voluntary and unavoidable 1121–2
- Comprehensive Business Income Tax (CBIT) 878, 879
- Conesa, J.-C. 567, 712, 715
- congestion 425–6
- congestion charging 475–6, 484, 533, 534
 - London 427, 544–5
 - with motor fuel duties 476–8
 - optimum 483
 - see also* road pricing
- Conservative Tax Reform Commission 749
- Construction Industry Scheme 1051n.
- consultation 87, 1255–7, 1291, 1302–3
- consultative committees 1165
- consumption:
 - age-related 630
 - compensation variation (CV) 701
 - and interest rates 702–3
 - profiles 690–2, 695, 696–7
 - and retirement 720–1
 - and tax incentives 676
 - time intensity 287–8
 - wedge 569
- consumption function 707
- consumption tax 276, 635, 917
 - avoidance schemes 657–8
 - current and future 650–1
 - linear 581–6
 - personal 1020
 - regime 973, 986–8
 - variable 650
 - see also* commodity tax; indirect tax; Value Added Tax
- Controlled Foreign Company (CFC) 920–1, 950–1, 964–7
- Cook, P. 411
- Cooke, G. 147n.
- Corlett, W. J. 562
- Cornwell, A. 467n.
- corporate inversions 900
- Corporate Venturing Scheme 1078
- corporation tax 2, 6, 23–7, 44, 54, 70–2, 188, 1158
 - advance 71, 844
 - and ACE 1031
 - in an open economy 864, 867–9, 929–33
 - anti-avoidance measures 1150–1
 - cash flow 883–8
 - in a closed economy 868
 - deferred payments 1185
 - heterogeneity 866–7
 - international comparison 25–6
 - on investment 45
 - optimal 867–9
 - and personal tax 842, 851, 861–7, 878, 879, 908–10, 928, 949–50
 - profits tax 826
 - rates 846–50, 919, 1029
 - rationale 889, 907
 - reforms 11, 1221–2
 - on return to equity 838, 871–2
 - revenue 846–50, 905, 1222
 - statutory 975
 - structure 1222
 - system characterization 840–6
 - tax base 838, 894, 987
 - tax competition 850, 856–7
 - type of income covered 841
 - UK definitions 1086–7
 - UK system 843–6
 - welfare costs 872
- corporations:
 - foreign earnings 920–1
 - profitability 849
 - share of profits 933
 - size 849
 - see also* firms; multinational corporations
- Correia, I. H. 578
- costs:
 - abatement 458, 528
 - of distortion 1105–6
 - private and social 1111
 - see also* administration costs; compliance costs
- Council of Economic Advisers* 1300
- council tax 2, 32–3, 44, 46, 72–3, 156, 738, 805–6, 834, 1210–11, 1225, 1267, 1311
- council tax benefit 143
- couples 2, 16–17, 175–6, 668–9
- Cowell, F. 1111
- Cowley, P. 1290
- Cowling, M. 1078
- Cox Review 1257, 1259
- Cramton, P. 460
- Crawford, C. 843, 867, 883n., 1028, 1065n., 1081, 1082
- Crawford, I. 27n., 31n., 275, 288, 289, 290, 318, 319, 347, 350, 353, 363, 371, 407, 440n., 652
- credit:
 - constraints 691
 - imputation 949
 - market 132
- credit system 998, 1006–7
 - versus exemption system 951–2
- Creedy, J. 467n.

- Cremer, H. 440n., 564, 573n., 577n., 667, 669n., 762, 763, 765, 766, 767, 815, 816, 819, 821n., 822
- Crewe, I. 1281, 1282
- criminal activity, punishment 611–12
- Croatia 877, 906, 988–9
- Crooks, E. 330
- cross-border shopping 354
and excise duties 346–9
motor fuel 480
policy responses 348–9
- cross-border transactions 373–5
- cross-price elasticities 286
- Cuff, K. 197
- Cullen, J. B. 1025n.
- cultural change 1192
- cultural services 383–4
- Cummins, J. 863n.
- Cunha, F. 628
- Curran, J. 1075
- Cusack, T. 1233
- customs portfolio 1176
- Dasgupta, P. 453n.
- Davies, B. 492
- Davies, P. 1042n., 1044
- Davis, H. 285, 399n.
- Davis, S. 1075
- De la Feria, R. 887n.
- de Meza, D. 333, 334, 908
- de Mooij, R. 444, 445, 900, 930n., 933, 1004n., 1005, 1048
- de Paula, A. 296
- de Rugy, V. 1075, 1076
- Dean, S. 1083n.
- Deaton, A. 284, 561n., 626, 630, 688, 707
- Debreu 652
- debt and equity:
decision between 857–8, 1070
different tax treatment of 838, 974–8
distinction between 852, 859–61, 887–8, 889–90
- DeLeire, T. 724, 725
- Delipalla, S. 329n.
- Dell, F. 829n.
- demographics 206
- Denmark 298n., 456, 488, 490, 1183
- Department of the Environment 491
- Department of Trade and Industry (DTI) 1216, 1251
- Department for Transport 469, 476
- Department of Work and Pensions (DWP) 1214
- deposit-refund systems 502–4, 510
- depreciation 847, 975
- deregulation, complex 1083
- Derregia, M. 1080
- Desai, M. A. 882n., 900, 930, 944, 953, 954, 955, 958, 1009, 1019n.
- destination principle 377
- destination-based tax 882–8, 888, 890
cash flow 839, 906, 907–8, 910
compared to origin tax 335–7
revenue 886
transitions problems 885–6
VAT 331–7, 353, 371, 883–4
- deterrence model 1115–16, 1116–17, 1192
- developing countries 301, 963–4
- Devereux, M. P. 294, 308, 567n., 837, 841n., 846n., 847n., 849, 855, 856n., 874n., 877n., 883n., 885n., 886n., 894–6, 900, 901, 906–7, 918n., 927, 930, 931, 932, 933, 953, 976, 978n., 1009, 1047, 1070
- Devereux, P. J. 120, 231
- Deyes, K. 453
- Dharmapala, D. 310n.
- Di Tommaso, M. L. 122
- Diamond, P. 100, 117, 187, 188, 193, 283, 326, 335, 377n., 418, 480, 548, 567n., 569, 572n., 573, 577n., 588, 602n., 605n., 612, 613n., 649, 651, 652, 654, 657, 659, 660, 664, 665n., 678, 682, 703, 728, 762, 822, 825, 827n., 868, 927n., 952, 998, 1106
- Diaz, A. 707
- Dickens, R. 626
- Dickert-Conlin, S. 127n.
- Dicks-Mireaux, L.-D. L. 719
- Dickson, I. 352, 387, 392n.
- Dietz, M. 982n.
- difference-in-difference (DiD) 109, 203, 222–3, 239, 240, 254–6
- Dilnot, A. 17n., 106n., 127n., 1084, 1250
- Dinan, T. M. 499, 502, 503
- discount factor 709, 710
- discrimination 661–2
- Disney, R. 20, 1076, 1078
- distribution 20, 1110–11, 1121
effect of VAT 301–3, 391, 398–400
of environmental tax 432–4, 464
and negative tax 195–6
wealth 747–8, 828–30
within the family 122
see also income distribution; inequality; redistribution
- distributive justice 610
- dividends:
exemption scheme 966, 979
foreign 916, 965
income from 24
tax on 58, 852, 1093
- Doble, M. 492

- domestic rates 72n., 1223
Dominguez, B. 604n.
Dominitz, J. 630
donee based tax 739–40, 741, 751, 759, 793–7, 811
Donni, O. 235
donor based tax *see* estate duty
double taxation 819
 of corporate income 862, 900
 from inheritance tax 738, 739, 741, 750–1
 international 791, 900, 922, 949, 951, 952–6, 972–6
 of shareholders 842–3
Draper, D. 125
Dresner, S. 468
dual income tax 878–9, 916–17, 981–6, 1022–3, 1024, 1063, 1067
Due, J. F. 377n.
Duflo, E. 724
Duncan, A. 197, 204n., 223n., 227, 229, 232, 242, 245
duty 1116–18
Duverger's law 1240
Dynan, K. E. 562n., 597n., 619, 713, 723
dynasty 579
Dziadkowski, D. 374n.
- e-business 1151
e-commerce 343
earners, primary and secondary 123
earnings:
 and abilities 609, 625–8
 age-dependent 569, 623
 elasticity of 100
 expectations 628, 630
 incentives 560–1
 and savings 615–23, 634
 uncertainty 563–5, 578, 625–8
 see also income; labour income; wages
earnings disregard 147–8, 151, 163
earnings tax:
 age-dependent 584–7
 with capital income tax 634–5
 marginal 635
 see also income tax
Earth Summit, Rio 449
Ebrill, L. P. 300n., 306, 307, 370n.
EC Treaty 1151
Eckstein, Z. 220
economic rent 838, 839, 844, 872, 886, 889, 894, 907, 909–10
 see also rents
Eddington, R. 475–6
Ederveen, S. 930n., 1004n.
Edgar, T. 306n., 401n.
education 383, 619, 620, 1301
 and earnings 624–5, 628
 and employment 206, 246, 252
 subsidized 570
Edwards, C. R. 887n.
Edwards, J. 349n.
effective average corporation tax rate (EATR) 54
effective marginal tax rate (EMTR) 40–1, 42–4, 43, 54–5
 see also marginal effective tax rate (METR)
effective tax rate (ETR) 47–53
efficiency 176, 285, 761, 764, 765, 871
 and equity 33, 91, 93, 551, 1029
 and family taxation 182
 from reforms 149
 production 283–4, 335–6
 wealth transfer tax 789, 816, 819–20, 823
effluent cleaning 442
effort:
 and incentives 204
 measures of 203, 222
 price of 223, 225
Eggert, W. 946n., 982n.
Eichenbaum, M. 712, 713
Eigsti, I. 618
Eire *see* Ireland
Eissa, N. 123, 178, 180, 182, 232
Ekins, P. 468
elasticities:
 broad income 108–10
 cross-price 286
 definition 253–4
 of earnings 100
 and environmental taxes 554–5
 extensive 119, 120–1, 145
 Frisch 236
 intensive 105–16, 119, 145
 labour supply 113–14, 236–7, 266–7
 total income 221–5, 238–41, 268–9
 of wages 219–20, 225–41, 233–4
elasticity of intertemporal substitution (EIS) 682, 684–5, 692–3, 695–6, 700–3, 709–10
elasticity of substitution of consumption 709
electoral system 1210, 1308–9
Elo, I. T. 621n.
Elwela, D. 395n.
emissions reduction 450
emissions trading scheme (ETS) 424, 526–7, 539
 allocation of permits 438, 447, 460–3; cap and trade 534; free 462, 466
 with carbon tax 458–9
 double dividend 461

- emissions trading scheme (ETS) (*cont.*)
 EU 300, 427, 455–6, 458–9, 466, 481–2, 487,
 520, 526, 527, 529, 532
 grandfathering 366–7, 438, 447, 460–3,
 466–7, 527
 market efficiency 438
 permit auctions 448, 460–3, 507, 534
 quotas 446–8, 537–8
 revenue from 460–1
 versus environmental tax 436–9
 windfall profits 466
- Emmerson, C. 630, 680n., 737, 778, 816, 832,
 1084, 1085
- employed/self-employed boundary 1032,
 1039–40, 1044–5
- employees 1029–30, 1194
- employment:
 costly for employer 1044
 elasticities 234
 expectations of 722
 and family type 178–80
 small business 1037–8
 status test 1051
- employment model 242–5
- endogeneity (reverse causality) 225–7
- energy 300–1
 efficiency 529–30
 pricing measures 450
 taxes 454–6, 459–60
 use 507–8
- enforcement 1015, 1101
 UK system assessed 1127–34
- Engen, E. 724
- English, M. 306, 308n., 383, 887n.
- English Longitudinal Study of Aging
 (ELSA) 721–2
- Enkvist, P.-A. 528
- Enterprise Finance Guarantee Scheme 1079
- Enterprise Investment Scheme 1078
- entrepreneurs 578, 1024
- entrepreneurial relief 1079
- entrepreneurship 1033, 1069
- environment:
 and future generations 428–9
 international action 425, 429
- Environmental Accounts 485
- environmental damage 425
 abatement costs 436
 abatement distribution 430–2
 innovation incentive 431
 international cooperation 450
- environmental regulation 429–39, 529–30, 534
 command-and-control (CAC) 429, 431–2
 economic instruments 427, 432–4
 price and quantity 437, 438–9
 regulatory capture 431–2
 versus environmental taxes 505–6
- environmental tax 2, 31–2, 86, 1303
 administration and enforcement costs 435
 attitudes and perceptions 435–6
 avoidance activities 433–4
 costs and benefits of 439
 design 424, 439–42
 differentiated 433
 distributional effect 432–4, 464
 double dividend 442–9, 448–9, 506, 540–3
 and firm decision-making structures 433
 and international competitiveness 434,
 464–7
 on market goods 440–1
 measured emissions 440
 plus excise tax 441
 revenue 425, 427, 432, 442
 switch to 443–6, 446–8
 and unemployment 541–2
 versus economic instruments 424
 versus emissions trading 436–9
 versus regulation 505–6
see also carbon tax; energy taxes
- equality of opportunity 739, 761, 768–9,
 775–6, 777–8, 790, 816
- equity (distribution) 765, 820–3
 donee based tax 795
 and efficiency 33, 91, 93, 551, 1029
 horizontal 551, 554–7, 593–5, 607–14, 661,
 665, 1112
 vertical and horizontal 762
 wealth transfer tax 816
- equity (stocks)
 current year base 978–80
 and debt 838, 852, 857–61, 887–8, 889–90,
 974–8, 979, 1070
 ETR on 49–50
 imputed rate of return 976–8
 investment 862
 return to 871–2
see also Allowance for Corporate Equity
- equity premium puzzle 955–6
- Erosa, A. 568n., 595n.
- estate duty 21, 790, 793
- Esteban, S. 718
- Esteller-More, A. 931n.
- Etheridge, B. 471n.
- Euler equation 683–5, 691, 705, 706, 708, 709,
 712, 718
- European Court of Justice (ECJ) 895, 897,
 898–9, 915, 917, 949–52, 965, 1152
- European Organization of Supreme Audit
 Institutions (EUROSAI) 1168
- European Patent Office 1249
- European Union (EU) 86–7, 276, 373, 450
 Advance Pricing Agreements 972

- Arbitration Convention 923, 972
- Code of Conduct 945–6
- Code of Conduct on Documentation 972
- Commission 303, 337–8, 340, 465
- common consolidated tax base (CCCTB) 1005–6
- cost of corporate capital 939–40
- Directive on Interest and Royalties 921
- ECOFIN 899, 1179
- emissions trading scheme (ETS) 300, 427, 455–6, 458–9, 466, 481–2, 487, 526, 527, 529, 532
- European Landfill Directive 490, 493, 494, 495
- exporter rating systems 377–9
- formula apportionment 873, 969–70
- Interest and Royalties Directive 897
- intra-community trade 371, 372–7
- Joint Transfer Pricing Forum (JTPF) 972
- Landfill Directive 510
- Lisbon Agenda 1251
- Merger Directive 897
- migration 1025
- Mineral Oil Directive 486
- multinationals 968–70
- Parent-Subsidiary Directive 897, 921
- renewables target 530, 534
- role in UK tax policy 896–9
- Savings Directive 897–8, 946–8
- on small business 1076–7
- tax coordination 937–8
- tax harmonization 942, 1288–9
- trade 337–42
- Treaty of Rome 917
- VAT 27, 297–8, 351–3, 1220–1; Directives 375, 1219, 1221
- Evans, C. 33n., 78, 84, 322, 330, 395n., 1080
- Evans, M. D. R. 1119n., 1229
- evasion *see* tax evasion
- excess burden 443–6
- exchange rate 885–6, 908
- excise duties 28–31, 62–5, 316–30
 - alcohol and tobacco 276–7, 327–8, 353–4
 - and behaviour modification 321
 - competition 346–9
 - and cross-border shopping 346–9
 - definition 316n.
 - and distribution 327–8
 - plus environmental tax 441
 - reasons for 317–18
 - revenue-raising efficiency 318–19
 - see also* motor fuel duties
- exemption 953, 960, 1004–6
 - dividend 967, 979
 - interest income 917, 987
 - normal rate of return 1072–3
 - and ownership neutrality 954–5
 - versus credit system 951–2
 - see also* double tax; territorial tax system; Value Added Tax
- expectations 605
- Expenditure and Food Survey (EFS) 483
- expenditure tax 909
 - moral case for 659
 - progressive 1140
 - see also* Value Added Tax (VAT)
- expense allocation 961–3
- experimental methods 616
- exports 278, 293, 338–9, 371, 373, 377–9, 884
- Extax 398
- Extended Producer Responsibility (EPR) 504–5, 510
- extensive responses 119, 120–1, 145
- externalities 283, 350
 - alcohol and tobacco 409–10
 - consumption 319–27
 - corrective tax 326–7
 - obesity 420
 - wealth transfer tax 816
- extraction of aggregates 427
- Fabian Society 1307
- fairness 659, 1113
 - versus social welfare 611–12
- family 121–5
 - assets 123
 - benefits 142
 - changing circumstances 702
 - distribution within 122, 125–6
 - economies of scale 122
 - joint income tax 124
 - labour supply 176–80
 - taxation 174–82, 1054
 - see also* couples; households; marriage
- Family Expenditure Survey 347
- Family Resources Survey (FRS) 246
- family tax credit 17
- Farlie, E. 577n.
- Farrelly, M. 322, 330
- Fazzari, S. 863n.
- Fedorikhin, A. 618
- Feenberg, D. 551n., 602n.
- Feld, L. 1117, 1165
- Feldstein, M. S. 222, 223n., 239–40, 254n., 256n., 605n., 612, 613n., 661, 719, 804, 864, 1110
- Fennell, L. A. 595n.
- Ferejohn, J. A. 1248
- fertility 127
- finance, sources of 874
- Finance Acts (2000) 1247n.; (2002) 1079; (2005, 2006) 1156; (2007) 1052, 1156

- Finance Bill 1156, 1210, 1211
 Rooker-Wise Amendment 1213n.
- financial companies 1151
- financial innovation 859
- financial institutions 898
- financial sector 365, 383, 849–50, 851–2, 911
- financial services 352, 1289
 tax revenue 305, 888
 VAT 277, 306–9, 400, 401, 887, 909
- Finland 571, 989, 1147
- firms:
 corporate and non-corporate 984–5
 foreign ownership 901–2
 mobile headquarters 1020
 see also business; corporations; multinational corporations; small business
- firms' decisions 433, 839, 895–6, 985–6
 on organizational form 838, 864–6, 1046–59
- fiscal churning 1297
- fiscal drag 1218, 1267, 1273
- fiscal policy 506
- fiscal rules 1214, 1217, 1268–9
- Fischer, C. 431
- Fischhoff, B. 616
- Flavin, M. 705, 707
- Fleurbaey, M. 667, 768
- flexibility, donee based tax 795
- flow-of-funds tax 839, 869, 872, 873–7, 875–7, 886–7, 889, 1060n.
- flue gas desulphurization (FGD) 442
- Foley, C. 944, 958
- Foley, D. K. 1238
- Fong, C. 1233
- food 284–5, 300, 392
- fools' tax 948
- Fording, R. C. 1244
- foreign direct investment (FDI) 953, 955, 963, 1001–3, 1005
- Foreign Dividend Exemption 965
- foreign dividends 916
- foreign domiciliaries 753–4, 799
- foreign investors 921
- foreign tax credit 957
- formal and informal sectors 295–6
- formula apportionment 969–70, 1022
- fossil fuels 526
- France 304, 758, 793, 828, 833, 949, 1183, 1221, 1222
- Franked Investment Income 951
- fraud 367–8, 380–1, 382
 carousel 278, 312, 337, 368
 designed out 313–15
 missing trade intra-community (MITC) 311–14, 352
 see also tax evasion
- Frederick, S. 616
- Freedman, J. 27n., 843, 867, 1028, 1041, 1043–4, 1045, 1048, 1054n., 1065, 1077, 1082, 1083n.
- Freedom of Information Act 1303
- Freeman, H. 1070
- French, E. 219, 234n., 236
- Frey, B. 1117, 1165
- Friedlaender, A. F. 377n.
- Friedman, M. 194, 198, 681
- Fuest, C. 955n., 1011n.
- Fullerton, D. 127n., 276, 300, 317, 350, 408, 423, 429n., 441, 448, 460, 462n., 482, 497, 498, 500, 502, 503, 505, 519, 537, 868n., 932
- Gahvari, F. 287, 288, 440n., 564
- Gale, W. G. 724, 1216
- Gambardella, A. 1249
- Gammie, M. J. 964n., 970, 1053n., 1070
- Gan, L. 408
- Ganghof, S. 1213
- Garrett, D. M. 619n., 620, 724
- Gates, B. 1013
- Gaube, T. 568n.
- Gavazza, A. 1297
- Gay, P. 467n.
- Geanakoplos, J. 588
- Gebauer, A. 315, 374n., 382
- Gemmell, N. 282
- Gendron, P.-P. 305, 306, 340, 363, 365n., 370n., 381
- General Anti-Avoidance Rule (GAAR) 1153
- general equilibrium effect 224
- Genser, B. 332, 334n., 336, 982n.
- Gentry, W. M. 108n., 586, 589n., 1081
- geometric discounting 716–18
- Georgiadis, A. 1228, 1231, 1234n., 1235, 1240
- Gérard, M. 989
- Germany 238, 504, 619, 931, 949
 corporate tax 846, 899
 tax policy 1213, 1221, 1222
 VAT 298n., 374, 488
- Gervais, M. 568n., 595n.
- Ghana 305
- gifts, lifetime 740, 743, 751–2, 800, 809
- Gilbert, D. 571n.
- Gill, J. 1167
- Gillen, D. W. 486n.
- Gilmour, I. 1283
- Gladstone, W. 281n.
- Glaeser, E. 1228, 1239
- GlaxoSmithKline (GSK) 1256
- GlaxoSmithKline v. IRS* 1004
- Godfrey, C. 326
- Godwin, M. 1044, 1045, 1048, 1080
- golden rule 1268–9

- Golding, J. 1089
 Gollier, C. 588
 Golosov, M. 286n., 567, 568n., 578, 604n., 605
 Gomes, F. 707
 Goodman, A. 36n.
 Goodman, R. P. 1240
 Goodspeed, T. 856n.
 Goodwin, P. 532n.
 Goolsbee, A. 224, 239, 241, 866, 1048
 Gordon, R. H. 571n., 586, 587, 588, 866, 873n.,
 876, 927n., 955, 1009, 1011, 1012n.,
 1016n., 1022, 1025n., 1048, 1078
 Gordon, R. 294, 298n.
 Gordon, J. 290n.
 Gorman, W. 217
 Goss, P. 399n.
 Gottschalk, P. 626
 Gould, P. 1286
 Goulder, L. H. 429n., 435, 443, 448, 449,
 461
 Gove, M. 746n.
 government:
 borrowing 583
 and citizens 1209
 consumption timing 583–4
 debt 1213–14
 preferences 765–6
 receipts 4–5, 6–9
 response to risky and safe investment 588
 revenues 80
 short time horizons 936–7
 size 1264
 trust in 1226, 1236, 1237, 1242, 1245, 1281,
 1296
 see also local government; Parliament
 Graetz, M. J. 605n., 749n., 1245, 1261n., 1262
 Graham, J. R. 858, 998n.
 Graham Review 1078
 grandfathering 438, 447, 460–3, 466–7, 527
 Gravelle, J. 958
 Grbich, Y. 85n.
 Greece 1221
 Green, D. 204n., 226n., 227, 234
 Green, R. 392n.
 Green, S. 84, 1144
 green switch 425
 greenhouse effect 485
 greenhouse gas (GHG):
 equity considerations 522, 523, 525
 externalities 525–6
 inter-temporal distribution 523–4
 international 525–6
 irreversibility 524
 non-marginality 522–3
 risk 520, 522–3, 524
 stabilization 453
 see also carbon
 Gretton, S. 1051
 Griffith, R. 567n., 846n., 847n., 849, 855, 864,
 914, 918, 927, 930, 931, 932, 964n., 997,
 1009, 1032, 1064, 1080, 1222, 1249, 1250,
 1252, 1259
 Grossman, G. M. 332, 414, 1248
 Grubb, M. 463
 Gruber, J. 106n., 114, 224, 240, 241, 256, 321,
 354, 407, 410, 411, 413, 414, 415, 416, 417
 Grubert, H. 883n., 930, 958, 959, 960, 961,
 962, 1004, 1005n.
 Guesnerie, R. 129
 Guiso, L. 630
 Gul, F. 618, 717
 Guvenen, F. 628n.
 habit formation 713–14
 Hague, D. C. 562
 Haider, S. J. 627
 Haig-Simons income 555, 609
 Hall, B. 1222, 1249, 1250, 1251n.
 Hall, J. 1229n., 1235n.
 Hall, R. E. 224n., 239n., 294n., 584n., 649, 653,
 705, 709
 Haltiwanger, J. 1075
 Hamilton, J. 570n.
 Hamilton, S. 1167
 Hammer, H. 440
 Hammond, P. 668
 Handler, W. C. 1085
 Hansard Society 1292
 Hansen, L. P. 707, 712, 713
 Hansen, C. B. 724
 Hansford, A. 84
 Harberger, A. 861, 924
 Hardman, G. 326
 Hardwick, P. 1080
 Harrington, W. 481
 Harris, C. 717
 Harrison, G. 291, 311
 Harrison, B. 1080
 Harrison, R. 1075, 1250n.
 Hartman, D. 957–8
 Harvey, M. 1045
 Hasseldine, J. 84, 394, 395, 397, 1163, 1165
 Hassett, K. 285n., 862n., 863n.
 Hastie, C. 1229
 Haufler, A. 334n., 856n., 946n.
 Haupt, A. 946
 Hausman, J. A. 204n., 208n., 226n., 563n., 955,
 1009
 Hawkins, M. 46n., 808
 Hayashi, F. 715
 Heady, C. 1, 79, 86, 94, 249, 725, 843n.,
 1045

- Healey, D. 776, 782, 793
 health spending 654–5
 healthcare 383
 Heathcote, J. 627
 Heaton, J. C. 713
 Heckly, C. 787n.
 Heckman, J. J. 204n., 226n., 228, 236, 244, 628, 712
 height 590, 592–4, 654
 Heim, B. T. 116
 Helfand, G. 433
 Hellerstein, W. 968n.
 Helliwell, J. 606, 906n.
 Helm, D. 455
 Helpman, E. 1013n., 1248
 Hemming, R. 285
 Hepburn, C. 460
 heritage relief 799
 Heseltine, M. 1224
 Hettich, W. 1240
 Hicks-Kaldor-Scitovsky criterion 561
 Highfield, R. 1172, 1190
 Hill, S. 234
 Hills, J. 147n., 1231
 Hines, J. R. 864, 882n., 900, 914, 927n., 930, 944, 953, 954, 955, 958, 997, 1009, 1014, 1032, 1064
 Hite, P. 1165
 Hiuzinga, H. 932
 HM Customs and Excise 346–7, 493, 964
 HM Revenue and Customs (HMRC) 1004–5, 1046, 1049, 1053, 1127, 1129, 1130–4, 1176–9, 1186, 1194, 1203, 1211, 1212, 1270, 1304, 1306
 administrative costs 1132–3, 1141–2
 Business Payment Support Service 1079
 compliance costs 1133–4, 1142–3
 formation 1214
 performance targets 1130–2
 public performance objectives 1102
 HM Treasury (HMT) 964, 1209, 1210, 1211, 1214–16, 1252, 1284, 1289–92, 1295, 1304–6, 1312
 Hoel, M. 466
 Hoffman, L. A. 887n.
 Holtz-Eakin 1076
 Home State Taxation (HST) 970–2
 Hong, S. 497, 498
 Hong Kong 948
 Horioka, C. 864
 Horstman, I. 853
 Hotz, V. J. 196, 237
 hours worked 145, 590–1
 elasticity 204, 228–33, 232–3, 240–1, 257–9, 263–4
 men 204
 optimal 209–12
 restrictions 200
 women 204, 228–33
 and work effort 221
 House of Lords 1210, 1211, 1270, 1314
 Committee on Economic Affairs 1290, 1291
 Household Asset Survey (HAS) 748
 household data 705, 706
 household model 235–6
 household waste 496–501, 498
 households 686
 choice 588, 589n., 679
 consumption 216–17, 620
 educated 624–5
 rational choice 679
 time and consumption allocations
 within 216–17
 see also family
 housing 715–16
 equity release 755n.
 family 740, 754–5, 799, 801–2
 owner-occupied 3, 47, 49, 188, 776, 986–7
 public 245
 rental 49–50
 rising prices 748–9
 values and consumption 723
 see also residential property
 housing benefit 92, 143, 146, 163, 242, 245
 housing market 156, 245
 housing services 304–5
 Howe, G. 83, 1280, 1282, 1284, 1285, 1288, 1292
 Hoynes, H. W. 122–3, 123, 127n., 174, 178, 180, 182, 622
 Huang, C-D. 31n.
 Hubbard, G. 108n.
 Hubbard, R. G. 570, 586, 589n., 626, 707, 724n., 863n., 1014
 Huizinga, H. 307, 308, 894, 900, 901, 902, 928, 1002
 human capital 220–1, 237, 238, 252, 579, 634
 Hungary 907, 910
 Hurd, M. D. 576n.
 Hurst, E. 621
 Hutton, E. 313n.
 hybrid securities 859–60
 hyperbolic discounting 716–18, 727
 hypothecation 1219, 1235, 1265–70

 ICAEW (Institute of Chartered Accountants in England and Wales) 1083
 Ichino, A. 123
 ICI 1254
 Imai, S. 236, 237–8
 Immervol, H. 43n.
 implementation 1173–4, 1190–2
 help and guidance 1121, 1126–7

- imputation system 851, 862, 899, 1047
- imputed returns 1068
- in-work utility/satisfaction 242
- incentive compatibility constraints 564–5
- incentive effect 192
- incentives 3, 20, 537
 - by family type 144
 - and consumption 676
 - current UK system 92
 - of donee based tax 795
 - and effort 204
 - estimation 243–5
 - intrinsic and extrinsic 543–4
 - and labour supply 225–41
 - negative 226
 - and negative income tax 195
 - for small business 1029
 - to invest 33, 44–55, 861–6
 - to marry 122–3
 - to save 33, 44–55, 47–73, 676, 678
 - to work 39–44, 93–4, 134, 144, 150, 560–1
- incineration 491–2
- income:
 - broad 108–10, 111, 225, 238
 - cross-border flows 973–89
 - definition 106n.
 - elasticities 221–5, 223–4, 230, 238–41, 240–1, 254–6, 268–9
 - formula apportionment 872–3, 883
 - from interest 917, 987, 1135, 1180, 1181
 - growth and distribution 224
 - high 95, 106–12
 - in-work 242, 243–4, 248
 - life-cycle profiles 623–32
 - low 95, 398–400
 - narrow measure 225
 - out-of-work 243–4, 248
 - passive and active 967
 - pension 698–9
 - reallocation between sources 240, 241
 - retained 238
 - risk 693–5
 - source of variability 245–6
 - uncertainty 623–32
 - see also* earnings; labour income
- income distribution 33, 34–9, 104–5, 110, 934
 - see also* distribution; inequality; redistribution
- income effects 100, 253
- income shifting 571, 879n., 901, 905, 930–1, 960, 1032–4
- income splitting 1049, 1053–4, 1069
- income tax 2, 6
 - assessment period 131–4
 - bands and rates 57–8
 - burden of 1218
 - collection 1135–7
 - dual 550, 581, 878–9, 916–17, 981–6, 1022–3, 1024, 1063, 1067
 - levels 13
 - linear 561n.
 - local 1197
 - negative 194–8
 - and NICs 1065, 1072, 1198–200, 1265–6
 - numbers liable for 13–15
 - pre-owned assets (POAT) 755
 - progressivity 15–16, 20
 - rate structure 12–16, 51
 - reform 11
 - on residents 45
 - since Meade 1217–19
 - tax base 56
 - thresholds and allowances 1218
 - top rate 164–5
 - UK system 56–60, 185, 973, 981–6
 - and VAT 1281
 - see also* earnings tax; negative income tax (NIT); Pay-As-You-Earn; personal income tax
- Income Tax Act (2007) 1036n.
- incorporated/unincorporated
 - boundary 1039–40
- incorporation:
 - minimum capital requirement 1061
 - pass-through systems 1062–3
 - statistical evidence 1056–9
 - tax advantages 1049–50
 - tax incentives 1089–93
 - and tax rates 900–1
 - see also* limited liability
- incorporation/self-employed boundary 1066
- India 758, 759
- indifference curves 210
- indirect tax 27–32
 - developments since Meade Report 278–9
 - and inequality 35–6
 - reform 11
 - role and design 280–91
 - see also* consumption tax; Value Added Tax (VAT)
- Individual Retirement Accounts (IRAs), 723–4
- Individual Savings Accounts (ISAs) 3, 47, 49, 51, 188, 725
- inequality:
 - and distribution 924
 - and indirect taxes 35–6
 - micro-simulation models 37–9
 - pre-tax 1226
 - private income 37
 - and redistribution 1238–9
 - rising 1296

- inequality (*cont.*)
 and tax rates 1208
 wealth 834
see also distribution
- inflation 4, 22, 48–9, 51, 303n., 1283
 inflation adjustment 983
- information 1255, 1258, 1302
 asymmetric 863, 936
 and efficiency 1113
 exchange 947
 imperfect 1264, 1268
 inaccuracies 1138–9
 problem 762
 reporting 1123, 1127, 1147, 1200
- information technology (IT) 1126, 1187, 1191–2
see also online computer systems
- inheritance tax 21–2, 45, 51, 67–8, 658, 743–4, 1084
 abolition 740, 749, 800–2, 1312
 administration and compliance costs 740
 and capital gains tax 760
 complexity 738, 741, 745, 755–6
 criticized 744–57, 830
 exemptions and reliefs 752–5, 759
 inequitable 738, 741, 745, 746–50, 751
 optimal 765–8
 payment method 757, 799, 832
 potentially exempt transfers (PETs) 743
 rates 738, 756–7, 759
 rationale for 739
 reform 797–800
 relief 738
 revenue from 741–2, 744, 745–6
 transferable nil rate band 740, 750
see also bequests
- innovation 529, 1249
- Institute for Fiscal Studies (IFS) 1079, 1270, 1307, 1312
 Capital Taxes Group 974, 1070
- insurance 187–90, 833, 1228, 1233
 insurance premium tax (IPT) 65
- Integrated Family Support (IFS) 93, 96, 150–62, 164
 behavioural response 162
 budget constraint 153–6
 comments on 186–7
 distributional impact 156
 revenue neutral 152–3
- intellectual capital 1020–1, 1151
 intellectual property 1020
 intensive responses 105–6, 119, 145
- interest groups 1258, 1290
 created by policy enactment 1247–8, 1262–3
 political economy of 1246–8
 role 1220
see also lobbying
- interest income tax 1180, 1135
 exemption 917, 987
 flat rate 1181
- interest rates 676
 and asset holdings 692–3, 695
 and consumption 687–8, 702–3
 financial implications of 699–701
 and savings 677, 678, 702–3, 723–6, 728
 and welfare 679, 699–701, 702–3
- interests:
 class 1240
 organized and unorganized 1209
- Intergovernmental Panel on Climate Change (IPCC) 426, 450, 521
- internalities 321, 324, 409, 415–17
- International Civil Aviation Organization (ICAO) 485
- international competitiveness 434, 464–7
- international trade 331, 337–42, 352
- intertemporal smoothing 187–90
- interview evidence 1209, 1246
- inverse-elasticity rule 285–7, 318
- investment 4, 21–3
 allowance 1059
 and capitalization 863
 choices 851
 extra-normal returns 1001–4
 incentives 33, 44–55, 861–6
 and internal funds 863
 neutrality 975–6
 scale of 872, 874
 sustainable 1268–9
 and tax differentials 929–30
- investors:
 home bias 864, 906, 946, 982
 resident 981
- invoice-credit system 367
- IPPR 1307
- Ireland 480, 488, 739, 835, 949, 1210
 corporate tax 946
 donee based tax 793–4, 795
 inheritance tax 754
- Irish International Financial Services Centre 951
- Ironside, D. J. 785, 794n.
- Italy 236, 722, 877, 906, 907, 910, 949, 1221
 corporate tax 846
 IRAP 291n.
 pensions 721
 savings 619
 tax policy 1212–13
- Iversen, T. 1240
- Jacobs, B. 570
 Jacobs, M. 741n., 751n., 794, 800

- Jaganathan, R. 713
 James, S. R. 1139
 Janeba, E. 946
 Japan 291n., 304, 619, 846, 1147, 1221
 Jappelli, T. 630, 722
 Jenkins, P. 306
 Jenkins, R. 402n., 497, 498, 782n.
 Jensen, M. 858
 Jewitt, I. 284
 job mobility 238
 Job Seeker's Allowance 242
 Johnson, N. 420
 Johnson, P. 519
 Johnston, A. 463
 Joint International Tax Shelter Information Centre (JITSIC) 1152, 1188
 Jones, L. E. 579
Jones v Garnett (Arctic systems) 1053
 Jorgenson, D. 888n., 932
 journalistic standards 1303
 joy of giving 822
 Judd, K. L. 551n., 552, 570, 571, 575, 577, 579, 580, 585n., 603, 604n., 634, 635, 651, 652, 653, 655, 820, 868
- Kalambokidis, L. 876, 1011, 1016n.
 Kaldor, N. 555
 Kanbur, R. 130, 348, 668
 Kaplow, L. 286n., 560, 577n., 586, 587, 588, 604, 609, 612n., 613n., 614, 665n., 762, 763, 770, 1003, 1112
 Karlan, D. 717
 Katz, L. 224n
 Kauser, S. 1080, 1082
 Kavanagh, D. 1287
 Kay, J. A. 285, 656, 751n.
 Keane, M. 215n., 236, 237–8, 628
 Keatinge, R. 1047
 Keen, M. 130, 275, 283n., 288, 289, 290, 295, 296, 310, 318, 319, 329, 335, 336, 337, 340, 348, 349n., 350, 353, 363, 368, 371, 379, 380, 381, 402n., 403n., 407, 440n., 488, 652, 872n., 883n., 944, 946, 953n., 964, 989, 1024, 1081, 1082, 1213, 1245
 Kehoe, P. J. 558n.
 Kell, M. 106n.
 Kelley, J. 1229
 Kerr, S. 460
 Kessler, D. 782n.
 Keuschnigg, C. 982n.
 Khittrakun, S. 629, 708
 Khoman, E. 834
 Kim, H. 1244
 King, M. 656
 King, A. 1287
 King, J. 989
 King, M. A. 715, 719, 751n., 862, 868n., 932
 Kinnaman, T. C. 497, 498, 500, 503
 Kirby, J. 125
 Kirby, K. 616
 Kitao, S. 567, 712, 715
 Kleinbord, E. 877n.
 Klemm, A. 46n., 70n., 846n., 847n., 849, 930n., 931, 932, 989n.
 Klepper, S. 1116
 Kleven, H. J. 123, 124, 287, 562n., 669n.
 Kluve, J. 129n.
 Kneller, R. 282
 Kocherlakota, N. 286n., 568n., 578
 Kondylis, F. 180
 Konishi, H. 560
 Kopczuk, W. 629, 829n.
 Korinek, A. 605n.
 Koskela, E. 541
 Köszegi, B. 321, 414, 415, 416, 417
 Kotlikoff, L. J. 585
 KPMG study 1129, 1133, 1142, 1145n., 1148
 Kramer, G. 1239
 Krellove, R. 291, 311
 Kremer, M. 595
 Krever, R. 82, 388n., 392n., 393n., 394n., 398n., 399, 401n.
 Kroft, K. 364n.
 Krueger, D. 567, 630, 712, 715
 Krugman, P. 927
 Krusell, P. 572, 717, 718
 Kuruscu, B. 718
 Kyoto Protocol 450, 526
- labour cost relief 884–5
 labour force participation 95, 238, 252
 by education 246–7
 by marital status 246–7
 effects 116–21
 elasticity of 117, 231, 247, 260, 265
 female 231, 257–60
 male 234, 247, 263–5
 responses 167–8
 labour income 1024–5
 avoiding distortion 1016
 from profits 1015–21
 marginal tax 553–4
 optimal tax 557–80, 825–6
 tax neutrality 1018–19
 labour market policies 128–31
 labour supply 711
 and commodity taxes 286–7
 decisions 566, 687, 706
 discrete 214
 dynamic model 236–8

- labour supply (*cont.*)
 elasticity 113–14, 205, 236–7, 266, 266–7
 endogenous 712
 and environmental taxes 444–5
 family 176–80, 216, 235–6
 intertemporal 266–7
 lone parents 261–2
 men 233–5, 241–53
 responsiveness 204
 and work incentives 225–41
labour supply function 206
labour supply model 99–100
 basic 206
 collective 125–6
 dynamic 217
 participation effects 117–21
labour-intensive activities 303–4
Laeven, L. 902
Laffer, A. 1282
Laffer rate 165, 186
Lagerberg, F. 1052
Lahiri, S. 336
Laibson, D. 414, 618, 716, 717
Lamont, N. 1285
Land Registry 832
land tax 808, 834–5
land values 803, 806
landfill:
 external costs 490–501
 site scarcity 490–1
 tax 65–6, 492–4, 509–10
Landfill Allowance Trading Scheme
 (LATS) 494–5, 510
Landfill Tax Credit Scheme 492
Lang, M. 998n.
Laporte 1254
Laroque, G. 127n., 184, 186, 197, 286n., 560,
 567n.
Lassen, D. 1213
Lav, I. 420
Lawrence, E. C. 619
Lawson, N. 1212, 1224, 1280, 1282, 1284, 1285,
 1288
Lawton, K. 147n.
Layard, R. 778
Life Cycle-Permanent Income (LC-PI) 688
Le Grand, J. 778, 780
Leahy, J. 616n.
Leape, J. 544
leasing 858, 859
Lee, C. 339, 348, 378
Lee, N. 749n., 754n., 759, 1051
legislation:
 changing 84–5
 primary 83–4
 retrospective 1155
Leicester, A. 37n., 38n., 276, 300, 317, 350,
 423, 470n., 471n., 487n., 519, 537,
 716
Leichtenstein 947
Leigh, A. 106n.
leisure 350
 and complementary commodities 288–9
 defined 287
 or non-market time 206n.
 opportunity cost of 237
 preferences for 666–7
Leite-Monteiro, M. 666
Lemieux, T. 625
Lessig, L. 1113
Levy, F. 196
Lewis, M. 750n.
Lewit, E. M. 321
Li, W. 716
LIBA 1307
Liebman, J. 232
life expectancy 621–2
life-cycle model 681–704
 adult-equivalent 708–9
 evidence for 704–10, 718–26, 727
 features of 685–8
 formalized 683–5
 of individual behaviour 685–704, 706
 interest rate change 726
 limitations of 710–18
 numerical methods 707–8, 728
 parameters 688–90, 708–10
 plausibility of 704–26
 savings 676
 testing of 705–8
Lighthart, J. E. 1024
Lillard, L. A. 625, 627
limited liability:
 companies 1041, 1042–4
 partnerships 1041, 1042
Limited Liability Bill (1855) 1042n.
Lindeboom, M. 623
Lindhe, T. 1063n.
liquidity constraints 714–15
Lise, J. 235
Lizzeri, A. 1297
Lleras-Muney, A. 623
lobbying 1245, 1257, 1260–2
see also interest groups
lobbyism 936
local government 803–4, 1310–12
see also government
local tax 11, 32–3
 income 1197
 move to 1310–12
 since Meade 1223–5
location decisions 872, 874, 889

- location-specific rents 885, 928
 Lockwood, B. 296, 333, 334, 336, 884n., 908, 931
 Lodin, S. O. 970
 Löfgren, A. 440
 Logica 1254
 London congestion charging 427, 475, 477, 544–5
 London Stock Exchange, TAURUS 22
 lone parents:
 budget constraint 135–6
 hours of work elasticity 231–3
 with IFS 154, 159
 labour supply 261–2
 marginal tax rate 98–9, 137, 159, 195
 participation tax rate 97–9, 137, 159
 Looney, A. 364n.
 Louis XIV 1271
 Loutzenhiser, G. 1053n., 1062n., 1065, 1135
 Low, H. W. 688n., 689, 707, 708, 712n., 716
 Lozachmeur, J.-M. 595n.
 Lubell, M. 1117n.
 Lulofs, K. R. D. 440
 Lundberg, S. J. 125, 126, 410
 Lusardi, A.-M. 616n., 618n.
 Lustig, H. 716
 Luttmmer, E. F. P. 592n.
 Luxembourg 373, 375, 898, 947
 Lyon, A. B. 327
- Mergers and Acquisitions (M&A) 1001–3
 McCaffery, E. J. 82, 787n., 1169
 McCann, E. 306n.
 McCarty, N. 1228n., 1244n.
 McCaw, P. M. 392n.
 McConnell, V. 481
 McCrae, J. 17n., 46n., 70n., 808
 Mace, B. 1189
 McKay, S. 749n
 McKerchar, M. 1166
 MacKie-Mason, J. K. 571n., 866, 1048
 McKittrick, R. 906n.
 McLure, C. E. 339, 377n., 381, 873n., 968n., 969
 McNulty, J. 1047n.
 MaCurdy, T. 116, 123, 204n., 207n., 217n., 223n., 226n., 227, 234, 236, 626, 627
 Magat, W. 434n.
 Magnac, T. 216, 235
 Major, J. 22, 1285
 Maki, D. M. 619n., 620, 723
 managed service companies (MSCs) 1050–2, 1062, 1064, 1065
 Mani, A. 1264
 Maniquet, F. 667, 768
 Mankiw, N. G. 592n., 593, 705, 706, 712, 713
 Manning, A. 1228, 1231, 1234n., 1235, 1240
 Manning, W. G. 322, 325, 418
 Manski, C. F. 630
 Manuelli, R. E. 579
 Marchand, M. 282, 294, 573n., 577n., 666, 667
 marginal cost of funds (MCF) 1110
 Marginal Cost of Public Funds (MCPF) 364
 marginal effective tax rate (METR) 98–9, 135, 159, 855
 determination of 142–3
 and family type 137–41, 144
 high earners 145–6
 and IFS 157–61
 low earners 163
 negative 105
 optimal schedule 103–5, 105, 112–16
 optimal top 101–2, 105, 106–12
 substitution effect 100
 variation with earnings 136
 see also effective marginal tax rate (EMTR)
 Marginal Efficiency Cost of Funds (MECF) 1108–9
 marginal rate of substitution (MRS) 560, 566, 569, 575
 marginal rate of transformation (MRT) 560, 566, 569, 575
 marginal tax rate:
 decreasing 209
 definition 253
 high earners 91, 97
 optimal schedules 166–7
 see also effective marginal tax rate (EMTR),
 marginal effective tax rate (METR)
 market failure 1072, 1077–80
 market transactions 1102, 1122, 1127
 Marks and Spencer 393n., 950
 Markusen, J. 853
 marriage:
 fiscal incentives 122–3
 neutrality 176
 penalties and subsidies 180–1
 see also family
 married couple's allowance (MCA) 16–17
 married man's allowance (MMA) 16–17
 Marshall, A. 551, 633
 Mates, M. 1224
 Mathur, A. 285n.
 Matthew, H. C. G. 281n.
 Maxwell, D. 756n., 800
 Maynard, A. 326
 Mayshar, J. 1110n.
 Meade, J. 79, 81, 134, 390n., 659, 660, 661, 678, 746, 758, 761, 762, 869, 906
 Meade Committee 678, 832, 850, 853, 854, 873, 889

- Meade Report 128, 188, 203, 204, 276, 277, 278, 280, 291, 316, 390–1, 550, 551, 553, 554, 557, 581, 591, 607, 609, 614, 633, 649, 658, 663, 769, 777, 780, 782, 833, 838, 840, 841–2, 857, 858, 860, 861, 862, 864, 868, 886, 894, 901, 905, 909, 915, 917, 918, 1033, 1126, 1140, 1153, 1207
- mean reversion 223–4, 240
- Means, G. 858
- means-testing 92, 146, 163, 242
benefits and tax credits 51–2, 59–60, 277
effects of 213
- measurability problem 762
- media 1303
- median voter model 1280
- Meghir, C. 94n., 96, 99n., 100n., 106, 113, 120, 123, 126, 202, 204n., 207n., 216, 217n., 223n., 227, 229, 232, 235, 236, 242, 245, 288, 620, 624, 626, 689, 697, 706, 707, 710, 712, 713
- Meltzer, A. 1210, 1233, 1227, 1238, 1239, 1241
- Mendoza, E. G. 938n.
- mergers and acquisitions 900
- Merrill, P. R. 887n.
- Messere, K. 331
- Metcalf, G. E. 285n., 448, 460, 462n., 468
- methane 491
- Meyer, B. 36n., 116, 232, 242n.
- Michaelides, A. 707
- Micheletto, L. 595n.
- Michigan Panel Study of Income Dynamics (PSID) 229
- micro-business 1037
- Mieszkowski, P. 934
- migration 96, 119–20, 1025
- Miller, H. 964n.
- Miller, M. 862
- Milligan, K. 127n.
- Millock, K. 440
- Miniaci, R. 721
- Mintz, J. M. 310, 364n., 402n., 905, 906n., 910, 911, 928, 931
- Miranda M. L. 497, 500
- Mirrlees model 101–5
see also optimal income tax model
- Mirrlees, J. A. 91, 94, 95, 97, 101, 105, 112, 130, 184, 187, 192, 199, 283, 284n., 335, 377n., 480, 556, 572, 590, 595, 650, 668, 671, 825, 868, 927n., 952, 998, 1106
- Miskin, F. S. 705
- missing trader 374
- Mitchell, O. 618n.
- Miyagawa, E. 718
- Modigliani, F. 681
- Moene, K. O. 1233
- Moffitt, R. A. 130, 192, 196, 198, 200, 215n., 223n., 224, 226n., 239, 240, 626
- Monaco 947
- monetary policy 1295
- Monfardini, C. 721
- Moore, M. 411
- Morris, G. E. 497
- Morris, S. 1247, 1248, 1257
- Morrison, W. G. 486n.
- mortality 622–3
- mortgage interest tax relief (MITR) 2, 20
- motor fuel duties 427, 456, 474
with congestion charging 476–8
differential rates 479–80
escalator 471
optimum 478–81
- motor fuel tax 508–9
protests 1260–1
revenue 470–3
- motor fuels 28, 31, 62, 316, 480
- motoring taxes 31, 32, 64–5
- Mroz, T. 204n., 229
- Muelbauer, J. 715, 723
- Mukand, S. 1264
- Mullainathan, S. 321, 413
- Mullins, P. 953, 963
- multinational corporations 1151
choice of scale 853–4
financial structure 902–3
income allocation 922
locations 853, 854–5
mobile holding companies 882
and personal tax 863–4
subsidiaries abroad 1017–21
and UK tax policy 900–3
- Murphy, A. 715, 723
- Murphy, K. M. 321, 409, 411, 412, 414, 415, 416
- Musgrave, P. B. 377n.
- Musgrave, R. A. 329n., 377n., 536, 554n., 599n., 610, 613
- Mutti, J. 930, 959, 960, 961, 962
- Myles, G. D. 333, 334, 551n., 908
- myopia 667, 770, 778–9
- Nagin, D. 1116
- Naito, H. 572, 578
- Nalewaik, J. 707
- Nannestad, P. 1264
- Nash, C. 475
- National Audit Office (NAO) 1083
- National Health Service (NHS) 324, 326, 1281, 1288
- National Insurance 2, 6, 11, 12, 248
see also social security

- National Insurance Contributions (NICs) 17–20, 60–2, 81, 142–3, 185, 492, 496, 1029, 1033, 1044, 1049, 1062, 1129, 1137, 1281, 1288
 cumulative collection 1199
 employers and employees 61
 and income tax 1065, 1072, 1198–200, 1265–6
 lower earnings limit (LEL) 17–18
 and PAYE 1184–5, 1187
 phased out 1199–200
 rates aligned 1030
 rising 1219
 self-employed 19, 61–2
 upper earnings limit (UEL) 18
- National Neutrality (NN) 953
- National Ownership Neutrality (NON) 955
- Navarro, S. 628n.
- negative income tax (NIT) 194–8
- Neisheim, L. 708
- net debt rule 1268–9
- net tax function 94
- Netherlands 324, 374, 382, 440, 456, 488, 490, 791, 898, 1183
- Neubig, T. 1127n.
- Neuhoff, K. 463
- Neves, P. 236
- new paternalism 668
- New Tax Responsiveness 203, 222, 238
- New Zealand 1147
 compared to UK 389–90
 estate duty 800
 GST 1187
 VAT 277, 301, 306, 307, 366, 370, 387–404
- Newbery, D. M. 295, 479n.
- Newell, R. G. 429n., 430, 431
- Newlon, T. S. 883n.
- Nickell, S. 234
- Nicodème, G. 900, 901, 902, 932, 933, 1005, 1048
- Nielsen, S. B. 294, 298n., 570n., 878n., 928, 982n., 1002, 1009n.
- Noll, R. G. 1247
 non-compliance 1143–4, 1186
 non-separability 237, 561–2, 566, 727
- Nordhaus, W. D. 453n., 523, 652
- normative analysis 94–5
- North Sea production 72
- Norway 456, 485–6, 758, 989, 1064, 1067
- numerical ability 616–18
- Oates, W. E. 442, 934n.
- Oberg, A. 1063n.
- obesity 419–20
- obligation 1116–18
- O'Dea, C. 60n., 73n., 134n., 249, 487n.
- O'Donnell, G. 1203
- O'Donnell Review 1176, 1214, 1304, 1305–6
- O'Donoghue, T. 414, 418, 716, 717
- OECD:
 on administrative costs 1129
 Centre of Tax Policy and Administration 1168
 Forum on Tax Administration (FTA) 1168
 Harmful Tax Competition (Practices) 943–4
 List of Un-Cooperative Tax Havens 943
Model Tax Convention on Income and Capital 922–3
 on small business 1076–7, 1078
 tax treaties 917
- OECDTAX 939
- Office of Tax Analysis (OTA) 1306
- Ohsawa, Y. 348n.
- Oldfield, Z. 36n., 617–18, 715, 722
- Oliner, S. 863n.
- Olson, M. 1247
- online computer coding system 1102, 1146, 1148, 1200
see also information technology (IT)
- opportunity redistribution 1308
- Opschoor, J. B. 442
- optimal income tax model 91–2, 670–2
 assumptions 606–7
 behavioural responses 145
 criteria 94–5
 intensive responses 97–116
 standard 95–6, 97–116
see also Mirlees model
- optimal tax theory 549, 552, 657, 1106–7
 choice of tax tools in 590
 revenue-raising costs 1101
- option-pricing model 859
- origin-base cash flow tax 331–7, 335–7, 907, 910
- Orphanides, A. 321
- Ortalo-Magne, F. 716
- Orton, M. 1231
- Osborne, G. 1292
- Oswald, A. J. 542
- overlapping generations model (OLG) 567, 573–4, 576–7, 579, 582, 766
- overpayments 1136
- Owens, J. 1167
- owner-managed company *see* self-employed;
 small business
- owner-occupied housing *see* housing;
 residential property
- Oxford University Centre for Business Taxation 1307, 1312
- Paarsch, H. 204n., 226n., 227, 234
- packaging tax 501–2

- Pacula, R. L. 410
 Padula, M. 713, 722
 Pakistan 759
 Paldam, M. 1264
 Pallot, M. 401n.
 Palmer, K. 502, 503
 Palumbo, M. G. 707
 Panagariya, A. 351n.
 Pappas, G. 621n.
 Parker, A. M. 616
 Parliament 1273
 accountability 1206–7
 role of 1290
 scrutiny by 1269–70, 1313–14
 see also government
 Parry, I. W. H. 318, 319, 325, 444, 461, 479
 Parsche, R. 315, 382, 1222
 participation tax rate (PTR) 40–2, 43, 97–8, 99
 couples 139
 and IFS 157–61
 lone parents 137
 low earners 141, 146, 163
 low-skilled workers 129–30
 no children 138
 variation with earnings 136
 Partnership Act (1890) 1042
 partnerships 1041
 paternalism 761, 769–70, 816, 818
 Patrick, R. 741n., 751n., 794, 800
 patriotism 1118
 Paxson, C. 592, 626, 630
 Paxton, W. 725, 778
 Pay-As-You-Earn (PAYE) 58, 164, 185, 198, 1045, 1102, 1113, 1129, 1159
 accuracy 1138–9, 1181, 1193–4
 assessment of 1137–44
 cash-flow benefit 1142–4
 flexibility 1139–41, 1181, 1195–7
 future of 1134–50, 1179–81
 improvements to 1146–8
 IT 1191
 and NICs 1184–5, 1187
 security 1146
 see also income tax; withholding
 payroll tax 9n., 542
 Pearce, B. 486
 Pearce, D. 442, 452, 453n., 486
 Pearson, M. 339, 348, 456, 468
 Pechman, J. A. 557n.
 Pencavel, J. 120, 231, 234
 Penner, J. E. 485
 Penniman, H. R. 1281
 pensioners 1194–5, 1266
 pensions 3, 47, 49, 51
 age 594
 basis of 596
 contributions 188
 expected outcomes 722
 income 698–9, 1018
 personal 20
 replacement rate 698–9
 state 596, 719–20, 1135
 system reform 721
 taxation of 52–3
 wealth 719–22
 Perez-Gonzalez, F. 1085n.
 Permanent Income Hypothesis 681–2
 Perotti, R. 1239
 Perri, F. 630n.
 Persico, N. 592
 personal allowance 18n., 57
 Personal Equity Plan (PEP) 20–1, 51, 725, 1284
 personal income tax 9, 12–20, 81
 ACE philosophy 987–8
 and corporation tax 842, 851, 861–7, 878, 879, 908–10, 928, 949–50
 foreign dividends 916
 residence-based tax 916
 see also earning tax; income tax
 personal service companies (PSCs) 1050–2, 1062, 1063, 1065
 Persson, T. 936, 1268
 Pesendorfer, W. 618, 717
 Pestieau, P. 282, 286n., 294, 573n., 577n., 664, 665, 666, 667n., 762, 763, 765, 766, 767, 782n., 816, 819, 821n.
 Peston, R. 1286, 1287, 1288
 Peters, W. 946
 Petersen, B. 863n.
 petroleum 911
 petroleum revenue tax (PRT) 72
 Pfizer 1256
 Phelps, E. S. 717
 Phillips, D. 94n., 96, 99n., 100n., 106, 113, 120, 123, 202, 249
 Philips, L. 713
 Piciotto, S. 1165
 Piekola, H. 872n., 953n.
 Piggott, J. 287
 Pigou, A. C. 320, 429n., 536
 Pijoan-Mas, J. 707
 Piketty, T. 825, 829n., 830n.
 Pinkse, J. 931n.
 Pirttilä, J. 320, 571
 Pistaferri, L. 236, 626, 630, 689
 Pizer, W. A. 437, 507
 Plesko, G. 1165
 Poddar, S. N. 306, 307, 308n., 313n., 383, 402n., 887n.
 Podolsky, M. J. 498
 Pogue, T. F. 327

- policy creep 1254
 policy drift 1254, 1258, 1272
 policy evolution 1248–60
 policy goals 95
 policy persistence 1272
 policy reform 215
 Polinsky, A. M. 440n.
 political constraints 761
 political process, imperfect 935–7
 political support 816
 politicians and voters 1264
 politics 428
 class-interest view of 1208–9
 redistributive 936, 939
 poll tax *see* community charge (poll tax)
 Pollak, R. A. 410, 717
 pollution control 424
 Poole, K. T. 1228n., 1244n.
 poor, support for 1234
 Pope, J. 395n.
 portfolio capital 982
 portfolio choice 864
 Portrait, F. 623
 Portugal 1183
 positive analysis 94
 Posner, R. 1043
 Possen, U. 667n.
 post-Budget investigations 1290
 post-retirement behaviour 727
 Postlewaite, A. 592
 Poterba, J. M. 285n., 327, 457, 466, 467n.,
 580n., 619, 620n., 724n., 1011
 Poutziouris, P. 1080, 1082
 poverty trap 40
 Powell, B. 630
 power generation 529
 Prabhakar, R. 750n., 807n.
 Pre-Budget Report 1290, 1291
 precedents 604
 preferences 215–16
 future 571–2
 non-separable 237, 561–2, 566
 separable 561–2, 566
 Prest, A. R. 1139
 Preston, I. 36n., 106n., 224, 225, 241, 300, 630,
 631, 706, 1080, 1086, 1204, 1229n., 1235n.,
 1280, 1285, 1289, 1292, 1294, 1300
 Preston, S. 621n.
 Prettys Solicitors, Ipswich 793n.
 PriceWaterhouseCoopers-World Bank
 study 1129
 Primarolo, D. 746n., 899
 Prime Minister 1210
 principle of compensation 768
 principle of responsibility 768
 Prior, J. 1283
 privatization 5
 production efficiency 283–4, 335–6
 Production Efficiency Theorem 952–3n.
 Professional Contractors Group 1051n.
 profit determination rules 945
 profits:
 as capital income 1013–15
 international flows 850
 as labour income 1015–21
 location of 851, 854–5
 and losses 1084
 retained abroad 957, 1019
 shifting 874, 902, 930–1, 950
 windfall 527
 progressivity 761–2, 830
 Proops, J. 467n.
 property tax 8, 9, 46, 803–7, 832, 834
 property transactions, stamp duty on 807
 property values 46, 805
 propagation effects 237
 Public Accounts Committee 1291, 1292
 public finances, overseeing body 1207,
 1274
 public goods provision 934, 1235
 public opinion 428
 public sector 305–6, 365
 public services 400, 402–3, 911–12
 public spending 1236, 1281, 1287
 visibility effect 1264, 1266–7
 put-call parity theorem 859

 quasi-hyperbolic discounting model 414–17

 R&D:
 allowance 844
 location 1259
 R&D tax credit 26, 919, 1079–80, 1205, 1208,
 1215–16, 1222, 1246–7, 1248–60, 1272,
 1296
 accessibility 1257
 achievement 1258–60
 effectiveness 1250
 large firms 1253–5
 operation 1255–7
 origins of 1249–51
 for SMEs 1250–1, 1258
 volume versus incremental 1251–3
 Rabesona, J. 933
 Rabin, M. 414, 415, 418, 716, 717
 Rabushka, A. 294n., 584n., 650, 653, 654
 Ratcliffe, A. 128
 Rady, S. 716
 Ram, V. 1292
 Ramsey, F. 284
 Rangel, A. 597n., 618n., 769, 779
 Rasmussen, S. R. 324

- Rate of Return Allowance (RRA) 987, 988, 1031, 1067–9, 1069–71, 1073
- rational choice, households 679
- rational expectations 704, 721, 727
- Rawlsian case 115–16
- Razin, A. 927n., 934
- Reagan, R. 196, 1282
- recycling 500
- Redding, S. 918, 1252
- redistribution 3, 102, 780–1, 820–3
 - beliefs and attitudes 1228–31, 1272
 - donee based tax 794–5, 796–7
 - and inequality 1238–9
 - perception and reality 1229–30
 - preferences for 115–16, 118, 197, 1205
 - priorities 149
 - reform impact 150
 - support for 1226, 1228, 1230–1, 1232–4, 1236–7, 1244, 1296
 - swing voters' attitude to 1241
 - see also* distribution; income distribution
- Redoano, M. 931
- Redston, A. 1044, 1050n., 1053, 1054n.
- Redwood, J. 801n.
- Reed, H. 242, 245
- Reis, C. 578, 604n.
- remit 1103
- Renewable Transport Obligation 481
- Renewables Obligation Certificates (ROCs) 455
- rental housing 49–50
- rental income 46–7
- rental prices 46
- rents 926, 1011–12, 1021
 - firm- and location-specific 927
 - location-specific 885, 928
 - public housing 245
 - scarcity 446–8, 449
 - tax 1000–1
 - see also* economic rent
- repatriation tax 957–9, 1018–19, 1025
- Repetto, A. 717
- Repetto, R. 498
- reputational damage 1117
- Reschovsky, J. D. 497, 500
- residence-based tax 998, 1013–14
 - on accrued worldwide earnings 880–2
 - capital income 947–8
 - corporate 843, 869, 879–82, 890, 895–6
 - firm level 915
 - incidence of 880
 - investor level 915
 - on savings 925
 - and tax neutrality 926
- residential property 400, 401, 741, 780
 - see also* housing
- retail sales tax (RST) 294–5, 371, 380
- retirement 595, 621
 - and consumption 720–1
 - savings 598, 635, 986
- Reuters 1254
- revenue-raising, marginal costs 1101
- reverse charging 374, 376
- Rice, E. 930
- Richard, S. F. 1210, 1233, 712, 1227, 1238, 1239, 1241
- Riches, J. 791n.
- Richman, P. B. 953
- Richter, W. F. 287, 562n.
- Riddell, P. 1280
- rights and obligations 610
- Rios-Rull, J. V. 707, 708, 716
- risk 1033
 - aversion 616
 - greenhouse gas (GHG) 520, 522–3, 524
 - income 693–5
 - marketed 586–9
 - non-marketed 589
 - tax evasion 1105–6, 1115, 1156
- Ritchie, K. 395n.
- road pricing 425–6, 474–6
 - see also* congestion charging
- road transport 508–9, 532–4
 - congestion costs 469–70
 - externalities 469–70
- road transport tax 520
 - distributional effect 483–4
 - public support 484
 - revenue 470–4
- Roberds, W. 707
- Roberts, K. 129, 1227, 1238
- Roberts, M. J. 437, 458
- Robinson, B. 794n.
- Robinson, G. 1287
- Rochet, J.-C. 573n., 577n., 666
- Rodrick, D. 351n.
- Roemer, J. E. 667, 768, 777, 1239
- Rohwedder, S. 719, 720, 721
- Roland, G. 1268
- Roland, H. 1228n., 1244n.
- Romer, T. 1227, 1238
- Rose, M. 989n.
- Rosen, H. S. 176, 613
- Rosenbaum, D. 232, 242n.
- Rosenthal, H. 1228n., 1244n.
- Rossi, P. E. 579
- Rotemberg, J. J. 457, 466, 712
- round tripping 944
- Rowlingson, K. 749n., 1231
- royalties 1017, 1135
- Rubinfeld, D. L. 1235n.
- Russell, C. F. 429n.

- S corporations 852, 865–6, 1047, 1062
 Saavedra, L. A. 931n.
 Sacerdote, B. 1228
 sacrifice, measurement of 613
 Sadka, E. 927n., 934
 Saez, E. 90, 100, 102n., 105, 106n., 114, 118n.,
 119, 120n., 121, 166n., 174, 184, 193, 224,
 240, 241, 256, 562, 563, 567n., 579, 607,
 629, 652, 820n., 825, 829n., 830n.
 St John Price, A. 1082
 Salanié, B. 127n., 551n.
 sales tax 908
 Salmons, R. 494
 Samwick, A. 563n., 626
 San Marino 947
 Sanchez-Marcos, V. 708, 712n., 716
 Sandford, C. 78, 84, 394, 395, 396, 397, 751n.,
 785, 794n., 795, 1080, 1120, 1124n.,
 1143
 Sandler, D. 1249
 Sandmo, A. 320, 441, 536, 540, 541, 546, 570,
 571, 574, 819, 820n., 1115
 Sanger, C. 1048
 Sansom, T. 469, 470, 475, 477, 479, 508
 Santiesteban, M. 616
 Sargent, T. J. 705, 707
 Sausan, R. 485
 savings 3–4, 217, 236–7
 and earnings 615–23, 634
 forced 132n.
 incentives 33, 44–55, 47–53, 676, 678
 and interest rates 677, 678, 702–3, 723–6,
 728
 life-cycle profiles 619–21, 658
 and myopia and prodigality 667
 precautionary 691, 704
 response to taxation 676, 678, 681–704
 for retirement 598–9, 635, 986
 risky and safe 586–8
 and skill 562–3, 572
 stochastic rates of return 586–9
 and tax base choice 597–9
 tax-free 49
 and wealth changes 719–23
 savings tax 20–1, 51, 58, 563–5, 680, 726,
 1021–2
see also capital income tax
 scaling factors 690
 scarcity rent 446–8, 449
 Scheinkman, J. A. 296
 Scheve, K. 1239
 Schjelderup, G. 856n.
 Schler, M. L. 552n.
 Schöb, R. 541
 Schokkaert, E. 667n.
 Scholes, M. 859
 Scholz, F. 629
 Scholz, J. K. 196, 708, 724
 Scholz, J. T. 1117n.
 Schroeder, G. 1213
 Schuh, S. 1075
 Schulze, G. G. 336
 Schwab, R. M. 327
 Scott, C. 399n.
 Scottish Parliament 1211, 1311
 Sedgley, M. 1222
 Sefton, T. 1229, 1231, 1233
 Seitz, S. 235
 self-assessment 1144–6, 1179
 pre-populated forms 1182–4, 1202
 tax return 59, 1136
 universal 1102, 1143, 1148–50, 1182–4,
 1196, 1201–2
 self-control 618, 770
 self-employment 221, 225, 241, 571, 989,
 1029–30, 1135, 1267
 NICs 19, 61–2
 pressure to incorporate 1046
see also employed/self-employed boundary;
 owner-managed company; small business
 self-interest 1233
 self-supply 287–8, 305
 Selin, H. 571
 Sen, A. K. 34n., 777
 separability 561
 intertemporal 687
 leisure and consumption 711–2
 preferences 561–2, 566
 weak 286, 288, 350
 separate accounting regime 972–3
 services:
 internationally traded 342–6, 375–6, 382
 location of supplier and customer 344–5
 Seshadri, A. 629, 708
 Sgontz, L. G. 327
 Shackelford, D. 998n.
 Shapiro, I. 749n., 1245, 1261n., 1262
 Shapiro, J. M. 616, 617
 shareholder tax 2, 25–6, 45–6, 880–1, 1070
 double 842–3
 in EU directives 898–9
 and rate of return allowance (RRA) 988,
 1031, 1067–71
 residents' 1067–9
 shareholders, active 1063, 1069
 Shavell, S. 440n.
 Shaw, J. 33n., 94n., 96n., 123n., 132n., 151n.,
 1045, 1048, 1066n., 1081, 1100, 1163,
 1169, 1172, 1189
 Shephard, A. 90, 174, 184, 186, 193, 197, 241,
 652
 Sherraden, M. 778

- Sheshinski, E. 123n., 124, 665n., 669
 Shibata, H. 334, 377n.
 Shiv, B. 618
 Shoup, C. S. 333, 377n.
 Shum, M. 718
 Sibieta, L. 300, 1080, 1086, 1204, 1280, 1285,
 1289, 1292, 1294, 1300
 Sillamaa, M. 239
 Silverman, D. 592
 Simone, A. 964
 Simons, H. 609
 Simpson, H. 294, 308, 837, 894–6, 900, 901,
 906–7, 918, 1047
 sin taxes 407–20
 Sinclair, P. 438
 sinful consumption model 408–14
 Singapore 307, 948
 Sinn, H.-W. 375, 315, 336, 375n., 438, 526n.,
 541, 863, 958, 982n.
 skills:
 and earnings 609
 enhance through work 237, 238
 price of 224
 and savings rate 562–3, 572
 Skinner, J. S. 562n., 585, 597n., 619, 626, 707,
 721, 724n.
 Sleet, C. 568n.
 Slemrod, J. 33n., 84n., 282, 310n., 571, 866,
 876, 1011, 1012n., 1016n., 1045, 1048,
 1066n., 1076, 1081, 1100, 1108, 1109n.,
 1117n., 1118n., 1157n., 1163, 1169, 1172,
 1189, 1245
 Slonim, R. 616
 Small, K. 479
 small business 1200
 audit exemption 1088
 changing tax rates 1054–6
 compliance costs 1080–4
 definitions 1029, 1035–6, 1063–4
 direct expenditures 1077
 employment 1037–8
 inequitable tax system 1059
 intergenerational succession 1084–6
 job creation 1036–7, 1059, 1075, 1076
 legal forms 1029–30, 1032–4, 1038–9,
 1046–59
 mandatory non-corporate tax 1072
 political considerations 1086
 R&D tax credit 1250–1, 1258
 reasons for favouring 1073–86
 significance of 1074–6
 subsidy 1187
 tax fairness 1058
 tax reform 1060–1, 1093–4
 turnover 1038
 see also self-employed
 Small Firms Loan Guarantee 1078
 Smart, M. 349n., 931, 946
 Smetters, K. A. 585
 Smith, A. 554
 Smith, A. A. 717, 718
 Smith, G. 81, 83
 Smith, H. 630n.
 Smith, I. 883n., 1081, 1082
 Smith Institute 1307
 Smith, J. 715, 1286
 Smith, J. F. 623
 Smith, S. 128
 Smith, S. 275, 276, 288, 289, 290, 300, 317,
 318, 319, 337, 339, 340, 347, 348, 350, 353,
 363, 368, 371, 378, 379, 380, 381, 407, 423,
 429n., 440n., 456, 468, 519, 537, 652, 721
 smuggling 346, 347, 354
 Snell, D. 393n., 394n., 401n.
 Snyder, J. 1239
 Social Cost of Carbon (SCC) 527–8
 social security 2, 9, 1045n.
 see also National Insurance
 social security contributions (SSC) 1029, 1184,
 1219, 1265
 social welfare 103, 609
 function 130, 551, 555, 599–600, 1107
 maximized 95
 versus fairness 611–12
 see also welfare
 Södersten, J. 293, 1063n.
 sole traders 1041
 Sole-Ole, A. 931n.
 Solon, G. 627
 Song, J. 629
 Sørensen, P. B. 287, 334n., 553n., 562n., 570n.,
 841n., 864, 878n., 879n., 914, 930n., 932,
 933, 937, 938, 939, 968n., 970n., 982n.,
 983, 988, 989, 997, 1009, 1011n., 1032,
 1063n., 1064, 1067n., 1068n., 1069n.
 Soskice, D. 1240
 source, defined 870–1
 source-based tax 842, 843, 868, 869, 870–9,
 894–5, 998
 firm level 915–16
 on investment 925
 neutrality 926
 and optimal tax setting 927–9
 Spain 758, 1183, 1221
 special political advisors 1214, 1215,
 1216
 Spence, M. 437, 458
 Spengel, C. 982n.
 Spiegel, M. 498
 spillover effects 934–5
 Spinnewyn, F. 713
 Stability and Growth Pact 1269

- Stafford, B. 1265
 Stahl, K. 621
 stamp duty:
 on capital 21, 44, 45–6, 68–9, 738
 on investment 45–6
 on property transactions 22, 68–9, 738, 807,
 807–9, 832, 835
 on wealth transfers 808
 stamp duty land tax (SDLT) 69
 stamp duty reserve tax (SDRT) 69
 Standard Cost Methodology (SCM) 1178–9
 Stanworth, C. 1045
 Stanworth, J. 1045
 Stark, K. J. 595n.
 Stasavage, D. 1239
 State Earning-Related Pension Scheme
 (SERPS) 719, 722
 status 816
 Stavins, R. N. 429n., 430, 431, 463
 stealth tax 1266, 1287
 Steinmo, S. 1213
 Stephens, R. 398n., 399n., 400
 Stern, N. 284, 519, 521, 528, 545
 Stern Review of the Economics of Climate
 Change 426, 429, 450, 453–4, 479, 480,
 505, 507, 523, 524, 533, 545
 Sterner, T. 440
 Steuerle, E. C. 557n.
 Stewart, C. 486n.
 Stiglitz, J. E. 284, 286, 552, 555, 559–64, 566,
 568–73, 571–3, 578, 580, 605n., 611, 612,
 634, 650–1, 659, 662, 666, 671, 821
 Stikeman, H. 82
 stock exchange listing 1036
 Stoker, T. 242, 245
 Stone, S. E. 497, 500
 Storesletten, K. 627, 630
 Storey, D. 1037n., 1045n., 1075
 Strand, J. 403n., 488
 Strotz, R. H. 717
 student loans 1137
 Su, C.-L. 551n.
 subsidies 435, 441, 570
 substitution effect 100, 101, 103, 253
 substitution elasticity 236
 Suits, D. B. 329n.
 Sullivan, A. 930
 Sullivan, C. 395n.
 Sullivan, J. 36n.
 Summers, L. H. 687, 712
 Sund, L. 1084, 1085
 Surrey, S. 82n., 85
 Survey of Health Ageing and Retirement in
 Europe 721
 survival, expectations of 722
 Svallfors, S. 1231
 Sweden 438, 440, 456, 464, 486, 596, 597, 759,
 800, 832, 989, 1063, 1064
 Switzerland 595, 636, 758, 807, 833, 947
 Symons, E. 204n., 467n.
 Tabellini, G. 936, 1268, 1294, 1295n., 1298n.
 tags 664–6, 1112
 Tanner, S. 347, 620, 720–1, 775
 Tanzi, V. 87
 taper rate 213
 targeted anti-avoidance provisions
 (TAARS) 1155
 age-dependent taxes 636–7
 tax agents 84, 1166–8
 tax alignment 1064–73
 corporate and non-corporate 1072
 labour and capital incomes 1053
 tax allowances 16–17, 18n., 57–8, 148n., 534,
 844, 847, 1059, 1218
 see also Allowance for Corporate Equity;
 Rate of Return Allowance tax arbitragers
 906
 tax avoidance 87, 424, 984, 987, 1102, 1104,
 1118–19, 1150–8, 1159
 acceptable and unacceptable 1152–3
 causes of 1150–2
 consumption tax 657–8
 in a donee based system 796
 and evasion 1150
 prevention 1050–1, 1053, 1212
 publicity 1156–7
 schemes 1123
 see also anti-avoidance techniques
 Tax Avoidance Disclosure (TAD) 1155–6
 tax base 56, 889
 allocation 950, 969, 970–1
 choice of 597–9
 complexity 590, 816, 1150
 consumption 635
 corporate 838, 839, 894, 895, 987
 definition 1102, 1150
 elasticities 544–5
 empirical studies 614–32
 and horizontal equity 554–7
 ideal 551, 607–10, 762
 location 838, 841
 tax burden 19–20, 80–1
 tax codes 58, 1136–7, 1138, 1197, 1216
 tax collection 1102, 1120–1, 1124–6
 tax competition 759, 823, 851, 873
 and capital income tax 669–70
 case against 938
 case for 925–7
 corporate tax 850, 856–7
 environmental taxes 434, 464–7
 within the EU 899

- tax coordination 915, 937–43, 1024
- tax credits 2, 51–2, 59–60, 1047, 1149, 1196, 1288
 - administration of 133–4
 - foreign dividend 916
 - impact assessment 1134
 - method of payment 1140
 - R&D 26, 919, 1205, 1208, 1215, 1216, 1222, 1246, 1247, 1248–60, 1272, 1296
- tax data, privacy 1112–13
- tax debate 1303–4
- tax differentials 929–30
- tax discrimination 946
- tax equivalences 281–3
- tax evasion 87, 119–20, 539–50, 570, 944, 1104, 1116–18
 - and avoidance 1150
 - by companies 1116
 - and compliance costs 1081–2
 - detection probability 1109, 1116, 1126
 - distribution of costs 1110–11
 - finances 1111
 - on interest income 947
 - and penalty rate 1115–16
 - risk exposure cost 1105–6
 - welfare discounts for 1111–12
 - see also* fraud
- tax exporting 931–2, 935
- tax gap:
 - identifying 1152–4
 - optimal 1110
 - personal and corporate tax 1047–8
 - VAT 1132, 1177
- tax havens 943–4, 947, 948, 1018, 1019, 1020
- Tax Law Review Committee 1273
- Tax Law Rewrite 83
- tax neutrality 925–6, 952–6, 979, 1018–19, 1030
- tax policy:
 - conflicts of interest 1208–9
 - Conservative years 1281–5
 - democratic deficit 130, 1301–4
 - divergence 1244
 - drift 1205
 - economics-led 1306
 - framing 1262, 1263, 1272–3
 - international influences 1280, 1288
 - Labour years 1285–9
 - and majority voting 1226
 - making of 1209, 1210–14
 - median voter models 1238–40
 - normative framework 1107
 - and other political goals 1216
 - persistence 1205, 1208
 - political input 1174, 1190–1, 1212, 1296, 1304
 - post-legislation review 1313
 - radical change 1309–12
 - scrutiny 1211–12, 1225, 1312–14; by Parliament 1269–70; external 1270; improvement 1273–4, 1292; pre-legislative 1206, 1211, 1270, 1274
 - sources of 1212, 1304–7
 - standard model 1227–8
 - strategic statement 1314
 - versus monetary policy 1295
- tax raising, centralized 3
- tax rates 1088
 - consumption 106n.
 - effective (ETR) 47–53
 - and inequality 1208
 - mobility 630–1
 - and participation responses 167–8
 - reduced 1280, 1282–5
 - statutory marginal 1217–18, 1226
 - structure 1120
 - sustainable 1226
 - trends 932
 - vote-weighted median 1242–3
 - see also* marginal tax rates; participation tax rate
- Tax Reform Act (1986) 866, 1251
- tax returns:
 - end-of-year 1135, 1180–1
 - pre-populated forms 1149–50
- tax revenues 531, 679, 700, 1101
 - by government level 9–10
 - international comparisons 5–6, 8–9
 - protecting 1153–4
 - raised efficiently 1107–10
 - structure of 8–9
 - and tax harmonization 940
 - trends 932–3
- tax structure 81
 - commodity tax 284–91
 - complexity of 566, 567–8
 - and economic equilibrium 555
 - limited 568
 - progressive 207–8, 1233, 1237
- tax system 92–3
 - and choice of legal form 1046–59
 - complexity 33, 82–5, 83, 87, 566, 567–8
 - data publication 1302
 - economic aspects 33–55
 - efficiency 1108–9, 1113
 - evaluation criteria 760–70
 - operating costs 84
 - optimal 97
 - progressive 176
 - simplicity 82–5, 1119–20, 1127, 1185, 1283
 - stability 601–4, 1120, 1127, 1285
 - sustainability 1208

- time-frame 600–1
- transition 603, 604–6
- tax tools, choice of 590
- tax treaties 875, 917, 922–3
- tax wedge 571, 575, 653
 - consumption 584–5
 - earnings 584
 - optimal 632
- Tax-Exempt Special Savings Account (TESSA) 20–1, 51, 725
- tax/spend interaction 1289
- taxable capacity 554–5, 610, 657, 659–61, 663
 - definition 660–1
 - time horizon 609
- TAXBEN 246
- TAXCOM 937–9
- taxpayer:
 - attitude to tax system 1117
 - rights 1113–14
 - risk preferences 1115
- Taylor-Gooby, P. 1229
- Teather, R. 944, 948
- technology 428, 441, 529–30, 534
- Telmer, C. 630
- temptation 618, 717–18, 727, 728
- Terlizzese, D. 630
- territorial tax 954–5, 1013–15, 1022
 - case for 959–64
 - revenue 961–2
 - see also* exemption system
- Tetlow, G. 722
- Thatcher, M. 80, 106, 107, 108, 110, 280, 1224, 1281, 1282–3, 1284, 1288
- The Committee of Inquiry on Small Firms* 1035
- Thomas, A. 146
- Thurow, L. 712
- Tietenberg, T. H. 431
- Tiley, J. 794n., 1051
- time inconsistency 354, 412–13, 415, 417, 556, 763, 1298
- time intensity of consumption 287–8
- time period 657
- Tirole, J. 543n., 1239
- tobacco 28, 31, 62
 - effects on family members 321–4
 - excise duties 276–7, 327–8, 353–4
 - externalities 320–5, 354, 409–10
 - intertemporal complementarities 416
 - medical costs 324–5
 - revenue-raising efficiency 318–19
 - specific versus ad valorem 330
- Tobacman, J. 717
- Tobin, J. 194
- Todd, J. 392n., 398n.
- Tomes, N. 835
- Tomkins, C. 1164
- Tonnage Tax 1247n.
- Torgler, B. 1117n.
- training 203
- transfer pricing 950, 960, 968–9
- transparency 185, 1114, 1166, 1206, 1273, 1297
- transport policy 425–6
- travel expenses 1045
- Travers, T. 1224
- Treasury Select Committee 1207, 1269, 1274, 1290–1, 1292
- Treaty of Maastricht 896
- Tresch, R. W. 551n.
- Truman, M. 1083
- trust in government 1226, 1236, 1237, 1242, 1245, 1281, 1296
- trusts 760, 785–6, 792–3, 802
- Tsyvinski, A. 286n., 567, 568n., 578, 604n., 605
- Tuomala, M. 130, 320, 551n., 571, 1238
- Turley, C. 146
- Turner, S. 395n.
- UK Border Agency 1177n.
- uncertainty 676, 682, 704, 705
 - earnings 625–8, 634
 - life-time 626–8
- underpayments 1136
- unemployment:
 - duration 234
 - and environmental tax 541–2
 - insurance 234–5
 - trap 40
- unincorporated firms 1041–2
 - see also* incorporated/unincorporated boundary
- United Nations (UN):
 - Framework Convention on Climate Change 449
 - UNCTAD 922
- United States 196–7, 724, 958, 1014, 1062, 1147
 - administrative costs 1129
 - alcohol and tobacco 322–3, 325, 327–8, 419
 - aviation 488
 - Blueprints for Basic Tax Reform 762
 - capital tax 553n.
 - carbon trading 526
 - Comprehensive Business Income Tax (CBIT) 878
 - Congressional Budget Office 1207, 1274, 1314
 - Consumer Expenditure Survey (CEX) 713
 - corporate tax 846, 849–50, 896
 - debt and equity 857–8

- United States (*cont.*)
- Earned Income Tax Credit 198, 212, 213, 232
 - equity premium puzzle 955
 - estate tax 749, 791
 - and EU tax competition 938–9
 - excise taxes 407–20
 - family-based tax system 122
 - FDI 963, 1005
 - foreign investors 930
 - foreign tax credit 922
 - formula apportionment 872–3
 - fuel duties 479
 - Health and Retirement Study (HRS) 721
 - health spending 654
 - household refuse pricing 497–8
 - hybrid securities 859–60
 - Individual Retirement Accounts (IRAs) 723–4, 725
 - Internal Revenue Code 1047
 - IRS Oversight Board 1166
 - joint tax 175
 - landfill 490
 - limited liability partnerships 1042
 - lobby groups 1262
 - military draft 612
 - multinationals 855, 960–1
 - National Longitudinal Survey of Youth (NLSY) 616
 - Panel Survey of Income Dynamics (PSID) 328, 624, 713
 - pensions 596, 721
 - Presidents' Advisory Panel on Federal Tax Reform 959
 - profit-shifting 931
 - R&D 1222, 1249
 - Report of the President's Tax Commission 762
 - S Corp form 1047
 - savings 413, 619
 - self-assessment 1143, 1148
 - smoking 410–11
 - sourced-based taxation 876–7
 - Superfund 442
 - Survey of Consumer Finances 239–40
 - tax base 969
 - tax code 1216
 - tax credit 1251
 - tax policy 1213
 - Treasury 906
 - trusts 792
 - VAT 291n., 1221
 - wealth and mortality 622–3
 - Universal Expenditure Tax 581n.
 - utility:
 - of bequests 767
 - of consumption 762
 - donor 770–2
 - double-counting 764, 769, 770–1, 773–4
 - from wealth 777
 - function 253, 708, 711–12
 - and horizontal equity 612–13
 - maximization 215
 - see also* welfare
- Value Added Tax (VAT) 6, 27–8, 62, 81, 291–354, 297–311, 367, 584, 650, 1023, 1024, 1087, 1113, 1219–21
- accounts 315
 - administration 294–6, 305, 350–1, 391, 393–4, 1186
 - aviation 488
 - B2B 341–2, 343–4, 345–6
 - B2C 376
 - between EU members 278
 - C-efficiency 299, 300
 - children's clothing and food 392, 1260, 1261–2, 1272
 - compensating (CVAT) 339–40, 353, 381
 - compliance 294–6, 305, 310, 311–16, 350–1, 376–7, 391
 - comprehensive base 392
 - cross-border transactions 352, 367–8
 - deferred payment 311–12, 373, 376
 - destination-based 331–7, 353, 371, 883–4
 - distributional effect 301–3, 391, 398–400
 - domestic energy 454–5
 - dual 340
 - evasion 311
 - exemptions 277–8, 292–3, 298, 305–9, 351–2, 382–4, 653–4, 887, 1261
 - exporter rating 338–9, 371, 373, 377–9
 - financial services 277, 306–9, 400, 401, 887, 909
 - gap 1129
 - implementation cost 363–4
 - and income tax 1281
 - information exchange system (VIES) 374–5, 376
 - invoice-credit form 291–2
 - ITVAT 278n.
 - non-compliance 1186
 - origin 332
 - overseas travel 400, 403
 - policy administration 394
 - public acceptance 397–8
 - public services 400, 402–3
 - rates 297, 298–305, 350–1; raised 1283; reduced 277, 300–3, 351; single 339, 370, 388, 391; zero-rate 277, 292, 293, 298–300, 301–3, 351
 - rationale 293, 295

- reform 11, 1186–7
- registration threshold 1047, 1186
- regressive 392
- residential dwellings 400, 401
- restricted origin 334
- revenues 2, 63, 299
- reverse charging 313–14, 340
- reverse withholding 314–15
- self-enforcing 295–6
- services 342–6, 375–6, 382
- simplification schemes 1082–3
- strategic design 276
- strengths of 293–6
- structure 276–7, 298–305, 366, 1219–20
- successful 363
- tax gap 1132, 1177
- third party guarantee 315
- threshold 309–11, 400, 402, 1081–2
- viable integrated (VIVAT) 307–8, 340–2, 346, 352, 353, 368, 371, 379–82
- and wealth transfer tax 788
- see also* commodity tax; consumption tax; indirect tax; market transactions
- Van Den Berg, G. J. 623
- van der Ploeg, F. 541
- Van Houtven, G. L. 497
- Van Nieuwerburgh, S. 716
- Van Parijs, P. 778
- Van Reenen, J. 1085, 1222, 1249, 1250, 1252
- Vanistendael, F. 332n., 379
- Varsano, R. 339, 382
- Veall, M. 239
- vehicle excise duty (VED) 64–5, 427, 473, 474
- Venti, S. F. 724n.
- Venture Capital Trusts 1078
- Verwaal, E. 338, 375n.
- Vickery, W. 554n., 584n., 596n., 986
- Vink, A. 249
- Violante, G. 627
- virgin materials tax 503–4
- Viscusi, W. K. 320, 321, 322, 323, 324, 325, 415–16, 434n.
- visibility effect 1264, 1266–7
- Voget, J. 900
- Vos, H. B. 442
- voters:
 - imperfect information 1264
 - lack of understanding 1265–70, 1296
 - loyalty 1226
 - and politicians 1264
 - preferences 1205, 1227–8, 1280
 - swing 1241–2, 1261
- W T Ramsay v IRC* 1153
- wages:
 - differential time series 227
 - elasticities 219–20, 225–41, 233–4
 - responsiveness to 230–1
 - see also* earnings
- Wakefield, M. 47n., 630, 675, 680n., 708, 712n., 716, 725, 726, 778
- Wales, C. 1300
- Wales, T. J. 410
- Walker, C. 31n.
- Walker, I. 180, 204n., 217n.
- Wallerstein, M. 1233, 1239
- Walliser, J. 585
- Walls, M. 502, 503
- Wanless, D. 1288
- Warren, A. C. 859n.
- Warren, N. 1082
- waste 509–10
 - dumping 424, 426, 489, 500
 - household 496–501
 - incineration 491–2
 - management 426, 488–505
 - recycling 500
 - social marginal benefit (SMB) 496
 - social marginal cost (SMC) 496
 - see also* landfill;
- water pollution 440
- Weale, M. R. 832, 834
- wealth:
 - advantages of 777, 833
 - and cognitive ability 616
 - distribution 747–8, 828–30
 - effects 687–8, 885
 - inequality 834
 - initial 572–3, 585, 603, 821–2
 - as insurance 833
 - life-cycle smoothing 779–80
 - and mortality 622–3
 - precautionary holdings 833
 - and savings 719–23
 - status effect 778
- Wealth and Assets Survey 835
- wealth tax 20–3, 741, 758, 760, 776–81
 - arguments for 786
 - choice of assets 783–4
 - design issues 779–81
 - difficulties with 782–6
 - failure of 786–7
 - PAWAT 780
 - progressive 778, 780–1
 - pros and cons 832–4
 - taxable unit 782–3
 - thresholds 784
 - trusts 785–6
 - unjustified 810–11
 - see also* capital tax; inheritance tax
- wealth transfer tax 787–802
 - avoidance 789

- wealth transfer tax (*cont.*)
 before and after death 791
 and capital gains 789–90
 coverage 788
 economic principles 760–81
 efficiency 789
 equity and redistribution 820–3
 externalities 816
 international issues 791–2
 justification 811
 pros and cons 815–16
 rates 788
 recipient 788–9
 and tax system 790
 and VAT 788
see also inheritance tax
- wealth transfers:
 before and after death 772–3
 donor utility 770–6
 externalities 774–5
 intentional and accidental 739
 intra-family 763, 773–4
 motivation 763–5
 stamp duty on 808
- wealth/income ratios 827–8
- Weber, G. 620, 624, 697, 704, 706–7, 709, 710, 712, 713, 715, 716, 721, 723
- Wechsler, H. 321
- Weichenrieder, A. 905, 931
- Weil, P. 576n.
- Weinberg, S. 721
- Weiner, J. M. 968n.
- Weinzierl, M. 568–9, 592n., 593, 595
- Weisbach, D. 558n., 586, 1165
- Weiss, Y. A. 625, 627
- Weitzman, M. L. 437, 524
- welfare:
 costs 872
 effects 102, 230
 function 657
 and interest rates 679, 699–701, 702–3
 and taxation 700
see also social welfare; utility
- welfarism, restricted 775, 787
- welfarist criterion 761–8, 790
- well-being:
 aggregate 549
 sources of 763
- Werning, I. 567, 569, 577n., 578n., 602n., 605
- West, K. D. 707
- West, S. 441, 468, 482
- Whalley, J. 287, 887n.
- White, D. I. 352, 387, 388n., 392n., 393n., 394n., 398n., 399n., 401n.
- White, S. 750n.
- Whiteford, P. 133n.
- Whiting, J. 33n., 1045, 1048, 1066n., 1081, 1100, 1143, 1163, 1169, 1172, 1189
- Wiegard, W. 982n.
- Wildasin, D. 283n., 335, 928, 935n., 953n.
- Wilhelm, M. 223n., 224, 239, 240
- Wilkie, J. S. 998n.
- Willis, J. R. M. 785, 794n.
- Wilson, J. D. 310n., 804, 935n., 1022
- Wilson, J. Q. 1247
- Wilson, R. 873n.
- Wilson, T. A. 364n.
- Winchester, R. 1047
- Winer, S. 1240
- Winston, G. C. 616
- Wise, D. A. 724n.
- Wiswesser, R. 989n.
- withholding 132, 151, 282, 911, 922, 947, 1045, 1102, 1123–4, 1127
 advantages of 1135
 cumulative 1180
 definition 1103–4
 flat rate taxes 1146–7
 non-cumulative 1148–50
see also National Insurance Contributions; Pay-As-You-Go
- Woellner, R. 82
- Wolfson, S. 801n.
- Wolpin, K. I. 220, 628
- Wolverton, A. 441, 502
- work:
 and complementary commodities 289–90
 decision to 91
 dislike of 608
 fixed costs of 228–9
 government preference for 130
 hours of 217–19, 221, 229n., 252
 incentives 39–44, 93–4, 134, 144, 150
 intensity 91, 221
 non-market 197
see also labour force participation
- work and retirement model 559–65
- Working Families Tax Credit (WFTC) 231, 232
- working life, two-period model 565–70
- working tax credit (WTC) 59–60, 133, 146, 149, 231, 248, 590
- WTO 465
- Wu, W. 503, 505
- Xu, R. 1259
- Yang, C. C. 287n.
- Yao, R. 716
- Yaron, A. 630
- Yitzhaki, S. 282, 571, 1108, 1109n., 1110n., 1115n.

Index

1347

Yoo K.-Y. 962
youth 410–12

Zabalza, A. 120, 231
Zeckhauser, R. J. 592n.

Zee, H. 305, 306n., 310
Zeldes, S. P. 562n., 597n., 619, 620, 626, 707
Zervos, D. 321
Zinman, J. 410, 411, 717
Zodrow, G. R. 586, 929, 934