

Tax Research Seminar: Tax Policy

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**University of Florida Levin College
of Law
Graduate Tax Program**

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Tax Research Seminar

LAW 7911

Tax Policy

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Tax Policy

Tax policy is the study of different types of taxes, the reasons for taxes, and the reasoning underlying them. It is interdisciplinary, incorporating principles from economics, philosophy, politics, psychology, and public policy.

Our readings will consider issues primarily related to domestic tax policy, although we will also touch on some of the unique questions pertaining to international tax policy. While we will to some extent focus our discussion on concerns unique to the United States, most of the topics we cover are relevant to all jurisdictions.

Part of the material will focus on the economics and moral rationales for tax policy – what makes good tax policy, and why? We will also study the politics of tax, a discipline referred to as political economy. In that context, we will be bringing the more theoretical discussions of ideal tax policies into the real world by considering what makes tax reform possible, and where and why it deviates from the ideal. We will also be considering the more practical aspects of writing good tax policy, that is, tax policy from the administrators' perspective. Finally, we will consider the different types of taxes that politicians may choose from as revenue raisers.

Objectives

Through this seminar, you should:

1. Gain an understanding of the disciplines and rationales that underlie tax policies;
2. Be able to distinguish between different types of taxes and the pros and cons of each;
3. Be exposed to practical and political considerations relevant to tax policy making;
4. Become knowledgeable about current domestic and international tax policy debates;
5. Begin to appreciate to the importance of policy considerations in analyzing tax rules; and
6. Produce a written work product sufficient to meet the LL.M program's substantial writing requirement.

The general standard for fulfillment of the writing requirement is a paper that is at least 20 pages of double-spaced, 12-point text or the equivalent.

A. Course Materials: The required reading/video links/tools to be utilized can be accessed through links provided below or are on reserve in the library or posted on Canvas.

B. Topics: The topics for each class are listed in the schedule below.

C. Grade: Your grade will be based on the following:

1. Reading, weekly assignments, and participation in seminar meetings (25% of grade)
2. Paper (75% of grade) due on the last day of spring exam period, with some of that grade reflected in meeting interim deadlines as posted on canvas.

This course follows the Levin College of Law's grading policies found here <https://www.law.ufl.edu/life-at-uf-law/office-of-student-affairs/current-students/uf-law-student-handbook-and-academic-policies> . The below chart describes the specific letter grade/grade point equivalent in place.

Letter Grade	Point Equivalent
A (Excellent)	4.0
A-	3.67
B+	3.33
B	3.0
B-	2.67
C+	2.33
C (Satisfactory)	2.0
C-	1.67
D+	1.33
D (Poor)	1.0
D-	0.67
E (Failure)	0.0

Paper and/or essays will be graded on the following metrics:

- Clarity of writing
- Familiarity with subject matter
- Developing coherent argument of one's own
- Timeliness

- Proper citation

Late papers not accepted except upon consultation with Office of Student Affairs.

D. Readings and Other Prep Assignments. For the first half of the semester, we will be reading and discussing works on the topics below. You will be expected to write a brief summary of selected readings as described below, to be used as a basis for class discussion.

E. Attendance. Per ABA requirements, you will be expected to attend a minimum of 80 percent of all classes. Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

F. Class Preparation

You should be prepared to spend several hours each week either preparing the assigned readings and / or researching and writing your paper.

G. Guest Lecturers. There will be two sessions with guest lecturers. You should come to class prepared to engage with them on the relevant topics.

H. Class Schedule. This class will meet in a mix of in-person and virtually, and will not meet every week of the semester. Please check the syllabus carefully to note online meetings.

Other information about UF Levin College of Law policies, including compliance with the UF Honor Code, Grading, Accommodations, Class Recordings, and Course Evaluations can be found at this link: <https://ufl.instructure.com/courses/427635/files/74674656?wrap=1>”.

Course Materials

There are some readings assigned from Christopher Hanna, Tax Policy in a Nutshell (2d ed. 2022). You can purchase the book if you wish, or its available online through the law school’s West Academic Study Aids subscription.

Here is the catalog link ([Tax Policy in a Nutshell](#)) and here is the link to instructions on how register for a [West Academic Study Aids account](#).

Also useful is Joel Slemrod & Jon Bakija, Taxing Ourselves (MIT Press 5th ed. 2017). This book is available to buy or rent from MIT Press at <https://mitpress.mit.edu/books/taxingourselves-fifth-edition> . A copy of the book has also been placed on reserve at the library.

All other assigned readings are posted in canvas or linked to in the syllabus below.

Tuesday, January 16: Summaries of Paper Topics due. Meetings with Professor available if needed to discuss.

Week 1 (January 22):

Choose 1 of the readings from each of the topics below:

Topic #1: Background

1. Hanna, Chapters 1 and 2
2. Joel Slemrod & Jon Bakija, [TAXING OURSELVES](#); Chapter 2 (5th ed. 2017) [Catalog link](#)
3. W. Elliot Brownlee, *Taxation for a Strong and Virtuous Republic*, 45 Tax Notes 1613 (Dec. 25, 1989) (posted in canvas)

For fun, you can watch this video: 100th Anniversary of the Income Tax, on youtube:

<https://www.youtube.com/watch?v=Ey4brEYnRBE>

Topic #2: Tax Policy from the Philosopher's Perspective

1. Linda Sugin, *Theories of Distributive Justice and Limitations on Taxation: What Rawls Demands from Tax Systems*, 72 Fordham L. Rev. 1991 (2004) (sections I and II). Available at: <http://ir.lawnet.fordham.edu/flr/vol72/iss5/27>
2. Joseph Bankman & Thomas Griffith, *Social Welfare and the Rate Structure: A New Look at Progressive Taxation*, 75 Cal. L. Rev. 1905, 1905-1918 (1987) (<https://lawcat.berkeley.edu/record/1112900?ln=en> .
3. Liam Murphy and Thomas Nagel, [The Myth of Ownership](#) (2002), chapter 2 (book on reserve in the library). Or their article *Taxes, Redistribution, and Public Provision* is available in JSTOR at https://www-jstor-org.lp.hscl.ufl.edu/stable/3558020#metadata_info_tab_contents and on canvas.
4. Wolfgang Schön, *Taxation and Democracy*, 72 Tax Law Review (2018). Available at [HeinOnline](#)

Week 2 (January 29):

Choose 1 of the Readings from each of the topics below:

Topic #1: Tax Policy from the Economist's Perspective:

Efficiency

1. Hanna, Chapter 3, 8, 9
2. Noel B. Cunningham, [The Taxation of Capital Income and the Choice of Tax Base](#), 52 Tax L. Rev. 17 (1996)
3. Mankiw, N. Gregory, Matthew Weinzierl, and Danny Yagan, *Optimal Taxation in Theory and Practice*, 23 J. of Econ. Perspectives 147 (2009) <https://www.aeaweb.org/articles?id=10.1257/jep.23.4.147> or <https://www.jstor.org/stable/27740559> (also available in canvas)

Topic #2: Tax Policy: The Political Economy Perspective

1. Edward J. McCaffey & Linda R. Cohen, [*Shakedown at Gucci Gulch: The New Logic of Collective Action*](#), 84 N.C. Law Rev. 1159 (2006) (Part II)
2. Selected chapters from Jeffrey Birnbaum & Alan Murray, *Showdown at Gucci Gulch* (1988) (available on Reserve in the library – [Catalog link](#))
3. Alan Blinder, *The Lamppost Theory of Economic Policy*, PROCEEDINGS OF THE AMERICAN PHILOSOPHICAL SOCIETY VOL. 163, NO. 3 (Sept. 2019) <https://www.amphilsoc.org/sites/default/files/2020-08/attachments/Blinder.pdf>

Week 3 (Feb. 5)

We will meet online. We will be joined by 4 former Assistant Secretaries for Tax Policy, who will talk about some of the issues that they faced during their tenures, their goals, and how their tenures modified those goals.

In the second hour, **group 1** (Kimbrough, Hercos da Cunha, Sica, Galvis and Wewerswill) will present their proposed paper topics to the class.

Week 4 (Feb 12)

We will meet online. We will be joined by former staffers of the Senate Finance Committee and the House Ways & Means Committee, as well as the Joint Committee on Taxation. They will provide you with a different perspective on how tax policy functions in U.S. government.

In the second hour, **group 2** (Denney, Bumbulis, Archer, Katzias Pimental and Bournazian) will present their proposed paper topics to the class.

Week 5 (Feb. 19)

Choose 1 of the Readings from each of the topics below

Topic 1: Tax Policy from the Administrator's Perspective

1. Federal Tax Compliance Research: Tax Gap Projections for Tax Years 2020 & 2021, IRS Research, Applied Analytics & Statistics, Pub. 5869 (Rev. 10-2023) (Oct. 2023), available at <https://www.irs.gov/pub/irs-pdf/p5869.pdf>
2. Testimonies of Natasha Sarin, Nathaniel Hendren, and Chris Edwards at Senate Budget Committee Hearing on Fairness and Fiscal Responsibility: Cracking Down on Wealthy Tax Cheats (Nov. 8, 2023), available at <https://www.budget.senate.gov/hearings/fairness-and-fiscal-responsibility-cracking-down-on-wealthy-tax-cheats>
3. Edward D. Kleinbard, *The Congress within the Congress: How Tax Expenditures Distort our Budget and our Political Processes*. 36 Ohio North. Univ. L. Rev 1 (2010). Available at [HeinOnline](#).
4. Eric A. Posner, [*Law and Social Norms: The Case of Tax Compliance*](#), 86 Va. L. Rev. 1781, 1781- 1805, 1811-1813 (2000)

5. Charles Rossotti, Natasha Sarin, & Lawrence Summers, *Shrinking the Tax Gap: A Comprehensive Approach*, 2020 Tax Notes Today Federal 240-11.

Topic 2: Tax as a Social Policy Tool

1. Billy Hamilton, *The Soda Tax Wars*, 90 STATE TAX NOTES 307 (OCT. 22, 2018) available at <https://www.taxnotes.com/tax-notes-state/excise-taxes/soda-tax-wars/2018/10/22/28j7t?highlight=%22sin%20tax%22>
2. Joseph Thorndike, *Tax History: My Brother's Keeper: Taxes, Paternalism, and Public Health*, 149 TAX NOTES 1442 (Dec. 21, 2015), available at <https://www.taxnotes.com/tax-notes-today-federal/tax-history/tax-history-my-brothers-keeper-taxes-paternalism-and-public-health/2015/12/21/g113?highlight=thorndike%20soda>
3. Felix Mormann, *Beyond Tax Credits – Smarter Tax Policy for a Cleaner, More Democratic Energy Future* (2013). 31 Yale Journal on Regulation, 303 (2014); **Pp. 305-311**

Week 6 (Feb. 26)

Choose 2 of the Readings from ANY 1 of the Topics Below

Topic 1: Corporate Taxation

1. Reuven S. Avi-Yonah, *Corporations, Society, and the State: A Defense of the Corporate Tax*, 90 VA. L. REV. 1193, 1231-1249 (2004).
2. Benjamin H. Harris, *Corporate Tax Incidence and Its Implications for Progressivity* (Tax Policy Center 2009) at <http://www.taxpolicycenter.org/sites/default/files/alfresco/publication-pdfs/1001349Corporate-Tax-Incidence-and-Its-Implications-for-Progressivity.PDF>
3. David M. Schizer (Columbia), *Between Scylla and Charybdis: Taxing Corporations or Shareholders (or Both)*, 116 Colum. L. Rev. 1849 (2016) (Intro, parts I and II)

Topic 2: Carbon Tax

1. Effects of a Carbon Tax on the Economy and the Environment Congressional Budget Office, May 2013
https://www.cbo.gov/sites/default/files/cbofiles/attachments/44223_Carbon_0.pdf
2. Gilbert E. Metcalf, Implementing a Carbon Tax (May 2017)
http://www.rff.org/files/document/file/RFF-Rpt-Metcalf_carbontax.pdf
3. Alex Brill, ed. Carbon Tax Policy: A Conservative Dialogue on Pro-Growth Opportunities (2017), available for download at <https://amsresearch.org/report/carbon-tax-policy-a-conservative-dialogue-on-pro-growth-opportunities/>

4. S. Carattini, M Carvalho, and S. Fankhauser, *Overcoming public resistance to carbon taxes*. *WIREs Clim Change*. 2018; 9:e531.

Topic 3: VAT

1. Alvin Warren, "*Would a Consumption Tax Be Fairer Than an Income Tax?*," 89 *Yale L.J.* 1081, 1108 (1981)
2. William M. Gentry and R. Glenn Hubbard, "*Distributional Implications of Introducing a Broad-Based Consumption Tax*," in James M. Poterba (ed.), *Tax Policy and the Economy*, vol. 11 at 4-9 (1997), also at NBER Working Paper No. 5832 (1996), available at <https://www.nber.org/papers/w5832>
3. David F. Bradford, *Blueprint for International Tax Reform*, 26 *Brooklyn L. Rev.* 1449 (2001)
4. Steven A. Bank, *The Progressive Consumption Tax Revisited*, *Michigan Law Review*, vol. 101, no. 6, 2003, pp. 2238–60. (2004).
5. Daniel Shaviro, *Replacing the Income Tax with a Progressive Consumption Tax* (September 2003). NYU Law School, Public Law Research Paper No. 70; and NYU, Ctr for Law and Business Research Paper No. 03-18. Available at SSRN: <https://ssrn.com/abstract=444221> or <http://dx.doi.org/10.2139/ssrn.444221>
6. Michael J. Graetz, *Taxes That Work: A Simple American Plan*, Faculty Scholarship Series. 1571 (2006). Available at https://digitalcommons.law.yale.edu/fss_papers/1571

Topic 4: Wealth Taxes

1. David J. Shakow and Reed Shuldiner, *A Comprehensive Wealth Tax* 53 *Tax Law Review* (1998).
2. Morris Lehner, *The European Experience with a Wealth Tax: A Comparative Discussion*, 53 *Tax L. Rev.* 615 (1999-2000)
<https://heinonline.org/HOL/LandingPage?handle=hein.journals/taxlr53&div=29&id=&page=&t=1560976130>
3. *Warren Wealth Tax Proposal:*
 - 1 <https://www.newyorker.com/news/our-columnists/elizabeth-warrens-wealth-tax-is-an-old-idea-and-its-time-has-come>
 - 2 A Property Tax is a Wealth Tax, but... <https://taxfoundation.org/property-tax-wealth-tax/>

Topic 5: Financial Transaction Tax

1. CBO, Options for Reducing the Deficit: Impose a Tax on Financial Transactions (Dec. 13, 2018), available at <https://www.cbo.gov/budget-options/2018/54823>
2. Leonard E. Burman, William G. Gale, Sarah Gault, Bryan Kim, Jim Nunns, and Steve Rosenthal, *Financial Transaction Taxes in Theory & Practice* (Feb. 29, 2016), available at <https://www.brookings.edu/research/financial-transaction-taxes-in-theory-and-practice-2/>
3. Congressional Research Service, *Financial Transactions Taxes: In Brief*, CRS 7-5700, R42078 (Oct. 22, 2015), available at <https://fas.org/sgp/crs/misc/R42078.pdf>
4. Shaviro, Daniel, The Financial Transactions Tax versus (?) the Financial Activities Tax (March 1, 2012). NYU Law and Economics Research Paper No. 12-04. Available at SSRN: <https://ssrn.com/abstract=1989163> or <http://dx.doi.org/10.2139/ssrn.1989163>

Topic 6: Estate Tax

1. Lily Batchelder, *The “Silver Spoon” Tax: How to Strengthen Wealth Transfer Taxation* (Oct. 31, 2016), at: <http://equitablegrowth.org/tax-finance/silver-spoon-tax/>
1. Jt Econ. Comm. Republicans, *Cost and Consequences of the Federal Estate Tax: An Update* (July 25, 2012) at https://www.jec.senate.gov/public/_cache/files/bc9424c1-8897-4dbd-b14c-a17c9c5380a3/costs-and-consequences-of-the-federal-estate-tax-july-25-2012.pdf
2. Edward J. McCaffery, *A Progressive’s Silver Linings Playbook: Repeal Stepped-Up Basis*, 138 TAX NOTES 969 (Feb. 25, 2013)
2. Paul L. Caron & James R. Repetti, , [*Occupy the Tax Code: Using The Estate Tax to Reduce Inequality and Spur Economic Growth*](#), 40 Pepp. L. Rev. 5 (2013).

Topic 7: Tax Policy & Race & Gender

Bruce Ackerman, [*Taxation and the Constitution*](#), 99 *Col. L. Rev.* 1 (1999)

Robin Einhorn, [*Institutional Reality in the Age of Slavery: Taxation and Democracy in the States*](#), 18 *J. Pol’y Hist.* 21 (2006)

Robin Einhorn, [*Slavery and the Politics of Taxation in the Early United States*](#), 14 *Stud. Am. Pol. Dev.* 156 (2000)

Alberto Alesina, Bruce Sacerdote, and Edward Glaeser, [*Why Doesn’t the United States Have a European-Style Welfare State?*](#) Brookings Papers on Economic Activity, 2001, No. 2.

Maria Coelho, et al., *Gendered Taxes: The Interaction of Tax Policy with Gender Equality*, IMF Working Paper No. 2022/026 (February 1, 2022). Available at SSRN: <https://ssrn.com/abstract=4065445>

Topic 8: International Tax Policy

1. Ruth Mason, *The Transformation of International Tax*, 114 Am. J. of Int'l Law 353 (2020).
2. Michael J. Graetz, *Taxing International Income: Inadequate Principles, Outdated Concepts, and Unsatisfactory Policies*, Tax Law Review 54(3), 261-336 (2001) in International Tax Vol. 1 page 433
3. Thomas Nagel, *The Problem of Global Justice*, 33 Phil. & Pub. Aff. 113, 120 (2005). Available through JSTOR https://www-jstor-org.lp.hscl.ufl.edu/stable/3558011#metadata_info_tab_contents and also on canvas.
4. Julie Roin, *Competition and Evasion: Another Perspective on International Tax Competition*, 89 Geo. L.J. 543, 590-591 (2001). Available on Hein Online here <https://m.heinonline.org/HOL/LandingPage?handle=hein.journals/glj89&div=24&id=&page=> and on canvas.

Week 7 (Mar. 4)

Outlines for papers due. We will meet online and split into 3 groups to discuss outlines.

Week of March 11 (Spring Break)

Week 8 (Mar 18)

No Meeting, other than at request of student.

Week 9 (Mar. 25)

No Meeting, other than at request of student.

Week 10 (Apr. 1)

Draft of first section of paper due. Group meetings online to discuss drafts.

Week 11 (Apr. 8)

Individual meetings with professor to discuss drafts.

Week 12 (Apr. 15)

Draft papers due. Final presentations.

Week 13 (Apr. 22)

No meeting.

Final Paper Due Thursday May 9.