

AP/ECON 4070 3.0A PUBLIC FINANCE I

Public Finance in Canada : Taxation

Autumn 2015 – 16

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Tues 9 - 10

Text

There is **NO** required textbook for this course.

There are several textbooks which may be worth using.

The only Canadian textbook is

**Rosen, Wen, and Snoddon, : PUBLIC FINANCE IN CANADA
Fourth Canadian Edition, McGraw-Hill Ryerson 2012**

This book has a lot of useful information on Canadian tax policies, but is pretty expensive.
It will be on 2-hour reserve in Scott Library.

A very good theoretical text, which actually has more material on public expenditure than on taxation, is

Hindriks and Myles : Intermediate Public Economics, MIT Press, (second edition) 2013

Similar (good, theoretical, not enough on taxation) is

Leach : A Course in Public Economics, Cambridge, 2004

If you want lots of real-world applications and empirical examples (mostly American, unfortunately) try

Gruber : Public Finance and Public Policy, Fourth Edition, Worth, 2013

And an older book which still is very useful is

Boadway and Wildasin : Public Sector Economics, Second Edition, Little Brown, 1984 (Chinese translation : Renmin University Press, Beijing, 2000)

Although most of the course (as well as most of the winter term course) is theoretical in nature, I will refer occasionally to the Canadian tax system. Perhaps the best source of data on both the revenue (fall term) and expenditure (winter term) of the Canadian federal, provincial and municipal governments is: *Finances of the Nation*, by Treff and Ort. The most recent version available is the 2012 edition ; the reference section of the Schulich library has a copy.

I will refer below to material from some of these books. But perhaps the most comprehensive reference (if not the most elegant or coherent) are my lecture notes, which will be available (in "pdf" format) online on my website.

Evaluation

Your grade will be determined by a mid-term exam, and a final exam.

Mid-term	Wed. Oct 28	in class time	33.33%
Final Exam	exam period	(Dec 9-23)	66.67%

The mid-term will be held in class time, and will last 50 minutes.

Senate Policy on Academic Dishonesty

The university's rules concerning cheating, and other breaches of academic honesty, can be found on the web at

<http://www.yorku.ca/secretariat/policies/document.php?document=69>

IMPORTANT

There will be **no class** on **Monday September 14**, and **no class** on **Wednesday September 23**. So the first class will be on Wednesday September 16.

Deferred Standing

The department's policy on deferred standing (make-up final examinations) can be found on the web at

http://dept.econ.yorku.ca/undergraduate/Deferred_Standing1.pdf

Course Outline

1. Introduction

(also see Rosen et al chapters 1,2,3 ; Varian : *Intermediate Microeconomics*, chapters 30–32 ; Leach chapters 2 – 4, 16 ; Hindriks and Myles, chapter 2)

2. Tax Incidence

(also see Rosen et al chapter 14 ; Boadway and Wildasin, chapter 12 ; Gruber, chapter 19 ; J. Whalley, “Regression or Progression : The Taxing Question of Incidence Analysis”, *Canadian Journal of Economics*, 17, 1984, 654–682)

3. Taxation and Efficiency

(also see Rosen et al chapter 15 ; Leach, chapter 17 ; Hindriks and Myles, section 14.2 ; Gruber, section 20.1)

4. Optimal Taxation

(also see Rosen et al : chapter 16 ; Leach, chapter 18 ; Hindriks and Myles, chapters 14 – 16 ; Gruber, sections 20.2 and 20.3)

5. Personal Income Taxation

(also see Rosen et al chapters 17,18 ; Boadway and Kitchen chapters 2,3 ; Gruber, chapters 21 – 23)

6. The Corporation Income Tax

(also see Rosen et al chapter 21 ; Hindriks and Myles, section 18.2 ; Gruber, chapter 24)