Do employees benefit from lower corporate income taxes? Evidence on the incidence of the corporate income tax

Subject
As documented by the recent reform of the U.S. corporate income tax supported by President Trump, corporate income tax rates have declined significantly in Western countries. From a distributional perspective, this development has been criticized as the main winners of such tax reforms seem to be shareholders with typically high incomes. Nevertheless, proponents of lower corporate income taxes have argued as well that lower taxes of corporations may have a positive impact on wages. From this perspective, not only shareholders but also the employees of firms may benefit from lower corporate income taxes. The question arises how valid this argument is and who actually bears the burden of the corporate income tax (tax incidence). In addition, one may also ask the question about the incidence of tax payments of employees, which in theory might also burden the shareholders of the firm. The seminar analyses current economic research on tax incidence with a focus on the measurement of the incidence of the corporate income tax.

Organisation
The master seminar covers 15 CP. The number of seminar participants (including the scientific Project) is restricted to 15 students. The application deadline begins on March 02, 2020 and goes over two rounds. The first 10 seminar places are assigned until March 27, 2020 (deadline 1). The remaining 5 places will be assigned until April 07, 2020 (deadline 2). The selection of applicants is based on their course credits with a main focus on taxation, finance, accounting, economics and statistics. Please send your application to mike.kluska@ovgu.de
The application should include a transcript of records.

The assignment of subjects/research papers as well as the compulsory enrolment will take place in the first seminar session (tba). After a short introduction into the topics of the seminar and the research methods, we will analyze a number of basic seminar papers in the following weeks as teamwork (group literature sessions). Afterwards, seminar groups of two students will analyze and present each an actual top research paper on tax incidence in the seminar. In addition, each student will write a research proposal with regard to the seminar topics. The required length of the research proposal will differ according to which kind of seminar (project or seminar) has been selected.

Relevant research papers for the seminar (selection):