

**University of Waterloo**  
**Department of Economics**  
**ECON 442**  
**Economics of Taxation**  
**Winter 2017**  
**T Th 10:00-11:20 EV3-4408**

### **Instructor and T.A. Information**

Instructor: Trien Nguyen  
Office: HH 202  
Office Phone: 519-888-4567 X32794  
Office Hours: T Th 11:30-12:20  
Email: [nguyen@uwaterloo.ca](mailto:nguyen@uwaterloo.ca)  
T.A.: there is no T.A. for this course

### **Course Description**

This course covers various aspects of the economics of taxation. Topics may include tax incidence, optimal tax, economic responses to tax (labor supply, savings, evasion), institutions and tax policy. The required background includes calculus and algebra (ECON 211), partial equilibrium analysis (ECON 201), and general equilibrium analysis (ECON 301). Previous background in taxation is not required.

### **Course Goals and Learning Outcomes**

The goal is to encourage students to apply the methodology and techniques of economic analysis to tax issues in theory and policy. Upon completion of this course, students should be able to apply economics to the theory and policy of taxation.

### **Required Text**

Intermediate Microeconomics of Taxation (available from the UW BookStore).

### **Course Assessments**

Midterm 1 (23%, Thu Jan 26)  
Midterm 2 (23%, Thu Mar 02)  
Midterm 3 (23%, Thu Mar 30)  
Assignments (26%)  
Class attendance and participation (5%)  
There is no final exam in this course.

### **Course Topics**

The topics below are tentative and could be adjusted to the background and interests of the class.

1. Introduction and overview (1 week)
2. Background review (1 week)
3. Partial equilibrium tax incidence (1 week)
4. General equilibrium tax incidence (3 weeks)
5. Distortionary taxes and optimal tax (2 weeks)
6. Tax policy simulation (2 weeks)
7. Economic responses to taxes (2 weeks)

## Course Policy

### Missing Midterms

In case of missing a midterm due to illness, the [University of Waterloo Verification of Illness Form](#) should be submitted as soon as possible. Accommodation is not automatic as the submitted document will be reviewed together with other course information (e.g., attendance and participation, previous midterm) to assess whether accommodation is warranted. Missing two midterms should be rare. Students missing all three midterms will receive a failing mark.

### Class Attendance

There are no makeups for missing class activities, assignments, attendance and participation. Students are responsible for course materials and activities whether they attend classes or not. Students should avoid late arrival, early leave, study for other courses, computer games, unrelated online activities, and other inappropriate uses of computers and electronic devices during class. These will affect the marks for class attendance and participation.

### Late Assignments

Assignments are due in class and on LEARN no later than the beginning of class time (10:00 am) on the due date. The penalty for 3-hours late will be 5% of marks earned. Beyond that, late assignments will not be read nor marked.

### Alternative Option to Turnitin

Students who do not wish to have their course work screened by Turnitin should inform the instructor in writing or email no later than the end of the second week to arrange for an alternative option.

### Electronic Device

Computers and electronic devices may be used in class for class-related activities only. Turn off all other electronic and photographic devices. Students are encouraged to take notes during lectures. **No audio recordings, video recordings or pictures may be taken in class.**

### Registrar's Office

Students are responsible for fee arrangements with the Registrar's Office. No accommodations will be given for loss of access to LEARN and academic consequences of problems with the Registrar's Office.

### Know the Rules

This course outline is covered on the first day of class. Students, especially those missing the first class for whatever reasons, should familiarize themselves with the course policy.

## Intellectual Property

Students should be aware that this course contains the intellectual property of the instructor such as (a) lecture content, spoken and written and audio/video recording; (b) lecture handouts, slides, presentations, and other course materials; (c) questions and solutions from assignments, quizzes, tests, final exams; and (d) copyright-protected work authored by the instructor.

These course materials are used to help student's learning experience. However, sharing them without the permission is a violation of intellectual property rights. It is thus necessary to **get the instructor for permission before uploading and sharing the intellectual property of others online** (e.g., online note-sharing web sites).

More information can be found from the Secretariat web page "Faculty, Staff and Students Entering Relationships with External Organizations Offering Access to Course Materials"

<https://uwaterloo.ca/secretariat-general-counsel/faculty-staff-and-students-entering-relationships-external>

## **Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009**

### **Academic Integrity**

In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity webpage](#) and the [Arts Academic Integrity webpage](#) for more information.

### **Discipline**

A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

### **Grievance**

A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

### **Appeals**

A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

### **Note for Students with Disabilities**

The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (NH 1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AccessAbility Services office at the beginning of each academic term.

### **If Using Turnitin in your Course**

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course. Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [Guidelines for Instructors](#) for more information.

### **Faculty of Arts-required statements for undergraduate course outlines**

Cross-listed Course (if applicable): Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.