Accepted Manuscript

Remittances and Public Finances: Evidence from Oil-Price Shocks

Zareh Asatryan, Benjamin Bittschi, Philipp Doerrenberg

PII: S0047-2727(17)30152-4
Reference: PUBEC 3814

To appear in: Journal of Public Economics

Received date: 21 July 2016
Revised date: 15 September 2017
Accepted date: 18 September 2017


This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
Remittances and Public Finances: Evidence from Oil-Price Shocks

ZAREH ASATRYAN*  BENJAMIN BITTSCHI*  PHILIPP DOERRENBERG*

September 20, 2017

Abstract

We study the effect of inflowing remittances – a major source of capital for many countries – on tax revenues and tax policy. Instrumenting remittances with changes in the oil-price interacted with a country’s distance to oil-producing countries, we find that remittances have a large positive effect on VAT revenues, but no effect on income-tax revenues. This suggests that remittances often escape the income tax but can be taxed via consumption. We further show that tax policy is responsive to shocks in incoming remittances; they lead to a decrease in VAT-rates and increase the likelihood for a VAT introduction. We find no evidence for effects of remittances on income-tax rates.

JEL Classification: F24, H20, O23.

Keywords: Remittances, Tax revenue, Tax policy, Value added tax, Personal income tax, Migration, Development.

*Asatryan: ZEW Mannheim and University of Mannheim. Email: asatryan@zew.de. Bittschi: KIT Karlsruhe and Institute for Advanced Studies (IHS), Vienna. Email: benjamin.bittschi@kit.edu. Doerrenberg: ZEW Mannheim, CESifo and IZA Bonn. Email: doerrenberg@zew.de. We are grateful to Wojciech Kopczuk (the editor), an anonymous referee, Thushyanthan Baskaran, Denvil Duncan, Timothy Goodspeed, Friedrich Heinemann, Andreas Peichl, Maximilian Todtenhaupt and various seminar/conference participants for valuable comments and suggestions. Annika Havlik, Sebastian Kropp, Justus Nover and Astrid Pape provided excellent research assistance. The usual disclaimer applies.
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات