Accepted Manuscript

The effect of a fiscal squeeze on tax enforcement: Evidence from a natural experiment in China

Shawn Xiaoguang Chen

PII: S0047-2727(17)30001-4
DOI: doi:10.1016/j.jpubeco.2017.01.001
Reference: PUBEC 3742

To appear in: Journal of Public Economics

Received date: 16 September 2015
Revised date: 9 January 2017
Accepted date: 12 January 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.
The Effect of a Fiscal Squeeze on Tax Enforcement: Evidence from a Natural Experiment in China

Shawn Xiaoguang Chen*

The University of Western Australia

Abstract

This paper investigates the impact of the abolition of the agricultural taxes in 2005 across China on county governments’ incentives for tax enforcement. I show that the revenue loss of county governments was largely offset by tougher tax enforcement. The incentive for VAT enforcement can be weakened, however, if the county: (1) receives a lower share of total VAT revenues; (2) has a broader VAT tax base; or, (3) has more abundant sources of revenue from land sales. These findings suggest that incentives of local governments can be vital to tax enforcement and to the tax capacity of a country.

*The author is grateful to Francesco Caselli and Camille Landais for their supervision, and especially thankful to Tim Besley, Henrik Kleven, Robin Burgess, Miguel Almunia, and John Sutton for their generous help and comments. Acknowledgements go to Peter Robertson, Ken Clements, Christopher Parsons, Michael Jetta, Johannes Spinnewijn, Torsten Persson, Roger Gordon, Ethan Ilzetzki, Steve Pischke, Frank Cowell, Ronny Razin, Guy Michaels, Xinmin Yue for their suggestions. The author also appreciates the feedback from participants in Work-in-Progress Seminars on Public Economics, Macroeconomics and Labour at LSE, seminars at Renmin University of China, Xiamen University, Chinese Academy of Social Sciences, the University of Hongkong, and benefits from discussion with Qingwang Guo, Qing Zhu, Shumin Yue, Xiaoyong Cui, Bingyang Ly, Junxue Jia, Gang Xia, Moru Yang, and Jing Zhang. Special thanks to Heng Yin and Liutang Gong for data supports, and to Chiwa Yuen for unfailing help. The author, of course, bears the responsibility for any errors in the paper.
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