

## Accepted Manuscript

Location-based; Your article is registered as a regular item and is being processed for inclusion in a regular issue of the journal. If this is NOT correct and your article belongs to a Special Issue/Collection please contact [michael.evans@elsevier.com](mailto:michael.evans@elsevier.com) immediately prior to returning your corrections. tax incentives: Evidence from India



The country name "United States" has been inserted for the author's affiliation. Please check, and correct if necessary. Chaurey; Ritam; SPI-PI The author name has been tagged as given name and surname (surname is highlighted in teal color). Please confirm if they have been identified correctly.

PII: S0047-2727(16)30113-X  
DOI: doi: [10.1016/j.jpubeco.2016.08.013](https://doi.org/10.1016/j.jpubeco.2016.08.013)  
Reference: PUBEC 3693

To appear in: *Journal of Public Economics*

Received date: 16 September 2014  
Revised date: 25 May 2016  
Accepted date: 27 August 2016

Please cite this article as: Chaurey; Ritam; SPI-PI The author name has been tagged as given name and surname (surname is highlighted in teal color). Please confirm if they have been identified correctly. Location-based; Your article is registered as a regular item and is being processed for inclusion in a regular issue of the journal. If this is NOT correct and your article belongs to a Special Issue/Collection please contact [michael.evans@elsevier.com](mailto:michael.evans@elsevier.com) immediately prior to returning your corrections. tax incentives: Evidence from India, *Journal of Public Economics* (2016), doi: [10.1016/j.jpubeco.2016.08.013](https://doi.org/10.1016/j.jpubeco.2016.08.013)

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.

# Location-Based Tax Incentives: Evidence From India

Ritam Chaurey\*

May 2016

## Abstract

While policies targeting particular geographic regions are widely used by governments, there have been few rigorous evaluations of their causal impacts. In this paper, I study the impact of a location-based tax incentive scheme in India. Using aggregated and firm-level panel data, I find large increases in employment, total output, fixed capital, and the number of firms as a result of the program. These increases are due to both the growth of existing firms as well as the entry of new firms. There is supporting evidence that the new firms entering the treated regions are larger and more productive. I find no evidence for relocation of firms or spillovers in industrial activity between treatment and control areas. Finally, using data from household surveys, I show that wages of workers rise but find no changes in housing rents or migration across the treated and control regions. My results therefore suggest that the policy increased welfare, and I also conclude that the policy was cost-effective. This provides support for “place-based” policies to correct for regional economic disparities, especially in settings with low labor mobility.

---

\*Department of Economics, SUNY Binghamton, P.O. Box 6000, Binghamton, NY 13902-6000. E-mail: [rchaurey@binghamton.edu](mailto:rchaurey@binghamton.edu). I am grateful to Eric Verhoogen, Amit Khandelwal, and Suresh Naidu for advice and guidance, and to Ama Baafra Abeberese, S Anukriti, Prabhat Barnwal, Christopher Boone, Tirthankar Chakravarty, Giacomo De Giorgi, Rajeev Dehejia, Jonathan Dingel, Alfonso Flores-Lagunes, Christopher Hanes, Rana Hasan, Jonas Hjort, Elise Huillery, Supreet Kaur, Siddharth Kothari, Tao Li, Cristian Pop-Eleches, Raul Sanchez de la Sierra, Miguel Urquiola, and participants at the Development Colloquium, Columbia University, NEUDC 2013, ACEGD ISI 2014, and 3rd DIAL conference for helpful comments. This paper also benefited greatly from the comments of two anonymous referees and the editor. All errors are my own.

متن کامل مقاله

دریافت فوری ←

**ISI**Articles

مرجع مقالات تخصصی ایران

- ✓ 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