



38th Annual Spring Symposium and State-Local Tax Program

NOW for **SOMETHING**
COMPLETELY DIFFERENT:
**TAX POLICY AT THE CHANGE
IN THE PRESIDENCY**

**May 15–16, 2008
Holiday Inn Capitol
Washington DC**

★ **REGISTRATION — Columbia Foyer**
Thursday, May 15, 7:45 AM - 2:30 PM
Friday, May 16, 8:00 AM - 12:30 PM

★ **President**
Ranjana Madhusudhan

★ **Program Chair**
Thomas Barthold

★ **Executive Director**
J. Fred Giertz

★ **All sessions will meet in the COLUMBIA BALLROOM** ★

★ **THURSDAY, MAY 15** ★

8:45–9:00 AM

WELCOME AND INTRODUCTION

9:00–10:30 AM

RETROSPECTIVE on EGTRRA & JGTRRA

Organizer/Moderator: *Andrew Lyon, PricewaterhouseCoopers*

Robert Carroll, American University and The Tax Foundation, Geoffrey Gee and Gerald Auten, U.S. Treasury Department, Office of Tax Analysis—The 2001 and 2003 Tax Rate Reductions: Was There a Taxable Income Response?

Doug Elmendorf, Jason Furman, and William Gale, The Brookings Institution—Dynamic Distributional Effects of the EGTRRA and JGTRRA Tax Cuts

Alon Brav, John R. Graham, and Campbell R. Harvey, Duke University, and Roni Michaely, Cornell University and IDC—Managerial Response to the May 2003 Dividend Tax Cut

Discussants: *Joseph Cordes, George Washington University; William Gentry, Williams College; Pamela Moomau, Joint Committee on Taxation*

10:30–10:45 AM **BREAK**

10:45–12:15 PM

TAX POLICY AND THE PRESIDENTIAL ELECTION: INSIGHTS FROM THE CAMPAIGN TRAIL

Organizer/Moderator: *William Gale, The Brookings Institution*

Douglas Holtz-Eakin, John McCain 2008

Jason Furman, The Brookings Institution

Kevin Hassett, The American Enterprise Institute

12:30–1:45 PM

LUNCHEON - DISCOVERY BALLROOM

Speaker: *The Honorable Charles Rangel, Chairman of the House Committee on Ways and Means*
Presentation of Davie-Davis Award for Public Service by Janet Holtzblatt, Congressional Budget Office

2:00–3:30 PM

ISSUES IN PASS-THROUGH ENTITIES

Organizer/Moderator: *Nicholas Bull, U.S. Congress, Joint Committee on Taxation*

Nicholas Bull, U.S. Congress, Joint Committee on Taxation and Paul Burnham, Congressional Budget Office—Taxation of Capital and Labor: The Diverse Landscape by Entity Type

Susan Nelson, U.S. Treasury Department, Office of Tax Analysis—Sole Proprietorships: A Closer Look

Alan Viard, The American Enterprise Institute—Taxing Carried Interest: Understanding the Issues

Discussants: *Laurie Coady, U.S. Congress, Joint Committee on Taxation; Thornton Matheson, U.S. Treasury Department, Office of Tax Analysis*

3:30–3:45 PM **BREAK**

3:45–5:15 PM

RETHINKING THE U.S. CORPORATE INCOME TAX

Organizer/Moderator: *Thornton Matheson*, U. S. Treasury Department, Office of Tax Analysis

James R. Hines Jr., University of Michigan—Reconsidering the Taxation of Foreign Income

Matthew Knittel, U.S. Treasury Department, Office of Tax Analysis—Did Bonus Depreciation Stimulate Corporate Investment? Evidence from Tax Data

Daniel Shaviro, New York University School of Law—The Optimal Relationship Between Taxable Income and Financial Accounting Income: Analysis and a Proposal

Discussants: *Rosanne Altshuler*, Rutgers University; *Thomas Neubig*, Ernst & Young;
Lillian Mills, University of Texas at Austin

5:30–6:30 PM RECEPTION - DISCOVERY BALLROOM

★ **FRIDAY, MAY 16** ★

8:45–10:15 AM

CAN TAX POLICY SAVE THE PENGUINS? TAX POLICY AND THE ENVIRONMENT

Organizer/Moderator: *Curtis Carlson*, U.S. Treasury Department, Office of Tax Analysis

Gilbert Metcalf, Tufts University—Empirical Analysis of Energy Tax Preferences

Ian Parry, Resources for the Future and *Eduardo Ley*, The World Bank—A Tax-Based Approach to Slowing Global Change

David Austin, Congressional Budget Office—The Role of Fuel Taxes in Curbing CO₂ Emissions in Private Transportation

Discussants: *Salvatore Lazzari*, Congressional Research Service; *William A. Pizer*, Resources for the Future;
John Horowitz, University of Maryland, College Park

10:15–10:30 AM BREAK

10:30–NOON

TAXATION AND HOUSING

Organizer/Moderator: *Robert Dietz*, National Association of Home Builders

James Poterba, Massachusetts Institute of Technology and *Todd Sinai*, University of Pennsylvania—Comparing the Distributional Effects of Limiting Property Tax and Mortgage Interest Deductions

Kurt Usowski and *Michael Hollar*, U.S. Department of Housing and Urban Development, Office of Policy Development and Research—Social Policy and the U.S. Tax Code: The Curious Case of the Low-Income Housing Tax Credit

Robert Willens, Robert Willens, LLC,—A New Exception to the General Rule That Provides That Discharged Debt Is Gross Income

Discussants: *Lori Stuntz*, U.S. Congress, Joint Committee on Taxation; *Pamela Jackson*, Congressional Research Service;
Roberta Mann, Widener University School of Law

★ **PROGRAM COMMITTEE:**

Thomas Barthold, Joint Committee on Taxation, CHAIR

Gerald Auten, U.S. Treasury Department, Office of Tax Analysis

Nicholas Bull, U.S. Congress, Joint Committee on Taxation

Curtis Carlson, U.S. Treasury Department, Office of Tax Analysis

Robert Dietz, National Association of Home Builders

William Gale, The Brookings Institution

Jane Gravelle, Congressional Research Service

Andrew Lyon, PricewaterhouseCoopers

Thornton Matheson, U.S. Treasury Department, Office of Tax Analysis

Pamela Moomau, Joint Committee on Taxation

Kathleen Toma, U.S. Treasury Department, Office of Tax Analysis

Thomas Woodward, Congressional Budget Office

★ **Friday, May 16, 2008** ★

STATE-LOCAL TAX PROGRAM

FISCAL FEDERALISM BEFORE THE ELECTION, DO THEY REALLY CARE OR NOT?

12:00–1:15 PM

LUNCHEON - DISCOVERY BALLROOM

Speakers: *Raymond C. Scheppach*, Executive Director, National Governors Association

1:30–2:30 PM

STATE REVENUE PERFORMANCE OVER THE BUSINESS CYCLE

Moderator: *Andrew Haughwout*, Federal Reserve Bank, New York

Scott Pattison, National Association of State Budget Officers—Update on State Expenditure and Revenue Trends

Glen Follette, Board of Governors of the Federal Reserve System—State and Local Fiscal Impetus and High-end Employment Budget

2:30–2:45 PM

BREAK

2:45–3:45 PM

THE TWIN CRISES IN THE STATE AND LOCAL SECTOR: THEIR FINANCES AND HOW THE FEDERAL GOVERNMENT MEASURES THEM

Moderator: *Robert Strauss*, Carnegie Mellon University

James W. Wetzler, Deloitte Tax LLP—The “Crisis” in State and Local Finances

Yolanda Kodrzycki, Federal Reserve Bank of Boston—The Crisis in State and Local Government Statistics

3:45–4:45 PM

IMPACT OF SUBPRIME FORECLOSURES ON STATE AND LOCAL REVENUES

Moderator: *Robert Tannenwald*, Federal Reserve Bank of Boston

Byron Lutz, Board of Governors of the Federal Reserve System—Home Price Appreciation and Property Tax Revenues

Donald Boyd, The Rockefeller Institute

Kim Rueben, The Urban Institute

★ **Program Committee:**

Robert Strauss, Carnegie Mellon University, CHAIR

Richard Mattoon, Federal Reserve Bank of Chicago, CHAIR

Robert Tannenwald, Federal Reserve Bank of Boston

Officers and Members of the Board of Directors 2008-2009

President

Ranjana Madhusudhan, New Jersey Treasury Department, Trenton, NJ

Vice Presidents

James Poterba, Massachusetts Institute of Technology, Cambridge, MA

Harvey Galper, BearingPoint, Inc., McLean, VA

Secretary

Charmaine J. Wright, National Tax Association, Washington, DC

Treasurer

Richard F. Dye, Lake Forest College, Lake Forest, IL

Past Presidents

Robert Tannenwald, Federal Reserve Bank of Boston, Boston, MA

Joel Slemrod, Stephen M. Ross School of Business, University of Michigan,

Ann Arbor, MI

Jane G. Gravelle, Congressional Research Service, Washington, DC

Elected Members

Gerald Auten, U.S. Treasury Department, Office of Tax Analysis, Washington, DC

Mark Beshears, Sprint-Nextel Corporation, Overland Park, KS

Nicholas Bull, Joint Committee on Taxation, Washington, DC

Julia Lynn Coronado, Barclays Capital, New York, NY

John Diamond, Rice University, Houston, TX

William Gentry, Williams College, Williamstown, MA

R. Bruce Johnson, Utah State Tax Commission, Salt Lake City, UT

Laura Kalambokidis, University of Minnesota, Minneapolis, MN

Michael Keen, International Monetary Fund, Washington, DC

Fitzroy Lee, Office of Revenue Analysis, District of Columbia, Washington, DC

LeAnn Luna, University of Tennessee, Knoxville, TN

Roberta Mann, Widener University School of Law, Wilmington, DE

Edward Maydew, University of North Carolina, Chapel Hill, NC

Kirk Stark, UCLA School of Law, Los Angeles, CA

Kenneth Simonson, Associated General Contractors, Arlington, VA

Advisory Members

David Brunori, Tax Analysts, Arlington, VA

Harley Duncan, Federation of Tax Administrators, Washington, DC

Peter Fisher, University of Iowa, Iowa City, IA

François Vaillancourt, University of Montreal, Montreal, Quebec, Canada

Joan Youngman, Lincoln Institute of Land Policy, Cambridge, MA

National Tax Journal

Therese J. McGuire, Northwestern University, Evanston, IL

George Zodrow, Rice University, Houston, TX

HOTEL INFORMATION

HOLIDAY INN CAPITOL
550 C Street SW (L'Enfant Plaza Metro), Washington DC 20024
Phone: 202-479-4000 FAX: 202-488-4627

NTA has blocked a limited number of rooms at \$259 single/double (plus 14.5 percent tax) for those attending the Symposium. Please register as soon as possible to be assured of these rates. The cutoff date for the NTA block is April 14, 2008.

Check-in time is after 4:00 PM and check-out time is prior to 12:00 noon. If you must cancel, please notify the hotel within 72 hours prior to arrival date to avoid charges.

Arrival _____ Departure _____

Single _____ Double _____

NAME _____

MAILING ADDRESS _____

Company/Organization _____

Street Address _____

City/State/ZIP _____

Phone _____ E-mail _____

Be sure to mention the National Tax Association when making reservations, which must be accompanied by a first night room deposit or guaranteed with a major credit card. The hotel will not hold any reservations unless secured by one of the above methods.

The National Tax Association does not make or guarantee reservations for those attending the Symposium. Attendees are responsible for their own room charges.



2008 REGISTRATION FORM

38TH ANNUAL SPRING SYMPOSIUM—May 15-16
6TH STATE-LOCAL TAX PROGRAM—May 16-Afternoon

REGISTER BY: MAIL: National Tax Association 725 15th Street NW #600 Washington DC 20005-2109
FAX: VISA or MasterCard (sorry, no American Express, Diners, or Debit) - 202-737-7308

Registration Fee:

- _____ \$180 SYMPOSIUM ONLY (includes Sessions, Luncheon, Reception (May 15), and Breaks)
- _____ \$55 6th STATE-LOCAL TAX PROGRAM ONLY (includes Session, Luncheon and Break)
- _____ \$205 SYMPOSIUM AND 6th STATE-LOCAL TAX PROGRAM

NAME (Print or Type) _____

MAILING ADDRESS _____

Company/Organization _____

Street Address _____

City/State/ZIP _____

Phone _____ FAX _____ e-mail _____

Please register before May 2, 2008. Cancellations will be refunded minus a \$25 service fee until April 11 and at half of the registration fee until May 7. No refunds for cancellations after May 9.

BILLING ADDRESS (If Different from Mailing Address) _____

Company/Organization _____

Street Address _____

City/State/ZIP _____

Payment Method

_____ Check payable to National Tax Association _____ Invoice Company/Agency

_____ Purchase Order - (Please send a copy of the approved form) _____ PayPal

_____ VISA or MasterCard (NO AMERICAN EXPRESS, DINERS OR DEBIT)

Acct. Number _____

Expiration Date _____

National Tax Association
725 15th Street NW #600
Washington DC 20005-2109

PROGRAM AT A GLANCE

NOW for SOMETHING COMPLETELY DIFFERENT: TAX POLICY AT THE CHANGE IN THE PRESIDENCY

Thursday, May 15

RETROSPECTIVE ON EGTRRA & JGTRRA

The 2001 and 2003 Tax Rate Reductions: Was There a Taxable Income Response?

Dynamic Distributional Effects of the EGTRRA and JGTRRA Tax Cuts

Managerial Response to the May 2003 Dividend Tax Cut

TAX POLICY AND THE PRESIDENTIAL ELECTION: INSIGHTS FROM THE CAMPAIGN TRAIL

ISSUES IN PASS-THROUGH ENTITIES

Taxation of Capital and Labor: The Diverse Landscape by Entity Type

Sole Proprietorships: A Closer Look

Taxing Carried Interest: Understanding the Issues

RETHINKING THE U.S. CORPORATE INCOME TAX

Reconsidering the Taxation of Foreign Income

Did Bonus Depreciation Stimulate Corporate Investment? Evidence from Tax Data

The Optimal Relationship Between Taxable Income and Financial Accounting Income: Analysis and a Proposal

Friday, May 16

CAN TAX POLICY SAVE THE PENGUINS? TAX POLICY AND THE ENVIRONMENT

Empirical Analysis of Energy Tax Preferences

A Tax-Based Approach to Slowing Global Change

The Role of Fuel Taxes in Curbing CO₂ Emissions in Private Transportation

TAXATION AND HOUSING

Comparing the Distributional Effects of Limiting Property Tax and Mortgage Interest Deductions

Social Policy and the U.S. Tax Code: The Curious Case of the Low-Income Housing Tax Credit

A New Exception to the General Rule That Provides That Discharged Debt Is Gross Income

STATE-LOCAL TAX PROGRAM

FISCAL FEDERALISM BEFORE THE ELECTION, DO THEY REALLY CARE OR NOT?

Friday, May 16

State Revenue Performance over the Business Cycle

The Twin Crises In the State and Local Sector: Their Finances and How The Federal Government Measures Them

Impact of Subprime Foreclosures on State and Local Revenues