

NATIONAL TAX ASSOCIATION 94th ANNUAL CONFERENCE ON TAXATION

November 8-10, 2001 ● Renaissance Harborplace ● Baltimore, Maryland

PROGRAM

Wednesday November 7

Registration – Second Floor Atrium Lobby 2 PM - 8 PM

Thursday, November 8

Registration – Second Floor Atrium Lobby 7:30 AM - 5 PM

8:30-10:00 AM

Moderator:

General Session in Honor of Arnold Harberger

William G. Gale, The Brookings Institution

Panel:

Arnold Harberger's Contributions to Economic Research - *James R. Hines, Jr.*,
University of Michigan

Arnold Harberger's Contributions to Public Policy - *Glenn Jenkins*, Queens
University Comments - *Arnold Harberger*, University of California Los Angeles

10:15-11:45 AM

Concurrent Sessions

Sales Tax Productivity

Moderator:

Matthew N. Murray, University of Tennessee-Knoxville

Presentations:

Rate Elasticity of the Sales Tax - *Richard R. Hawkins*, University of West Florida

Revenue Effects of Indian Gaming in Arizona - *Gary C. Anders*, Arizona State
University West.

Revenue Response to Sales Tax Base Modification - *Robert A. Bohm*, *Paula
Dowell* and *Matthew N. Murray*, University of Tennessee-Knoxville

Discussants:

John L. Mikesell, Indiana University

Raymond J. Ring, Jr., University of South Dakota

THE CALIFORNIA ELECTRICITY CRISIS: A FISCAL ANALYSIS

Moderator:

W. Bartley Hildreth, Wichita State University

Presentations:

Electricity Deregulation in California: A Public Finance Perspective - *Mark A. Ibele*,
California Legislative Analyst's Office

California's Energy Crisis: Implications for Taxation - *Terry A. Sexton*, California
State University, Sacramento and *Steven M. Sheffrin*, University of California
Davis

Implications of Electric Industry Restructuring on State and Local Government
Finance - *W. Bartley Hildreth*

Discussant: *Merl M. Hackbart*, University of Kentucky

PUBLIC RESOURCE POLICIES TO BENEFIT THE POOR

Moderator: *Robert D. Ebel*, The World Bank

Presentations: Who are the Poor? How do We Measure and What are the Fiscal Policy Implications? - *Patricia Ruggles*, Joint Economic Committee, U.S. Senate

(Once Measured) How Does One Assess the Impact of Fiscal Policy on the Poor? - *Blanca Moreno-Dodson*, The World Bank

Do State and Local Tax Policies Make a Difference? - *Elizabeth McNichol*, Center for Budget and Policy Priorities

Noon- 1:30 PM **Symposium Luncheon**

1:45 - 3:15 PM **Concurrent Sessions**

FISCAL DECENTRALIZATION IN DEVELOPING AND TRANSITION COUNTRIES

Moderator: *Jorge Martinez-Vazquez*, Georgia State University

Presentations: The Challenge of Designing Fiscal Decentralization in Transitional Countries - *Deborah Wetzel*, The World Bank

Strategically Implementing Fiscal Decentralization in Developing Countries: Lessons from Recent Cases - *Paul Smoke*, New York University

Simulating Intergovernmental Transfers with Imperfect Data: A Quantification of the Impact - *FranHois Vaillancourt*, University of Montreal

Fiscal Decentralization and Economic Growth and Developing and Transitional Countries - *Jorge Martinez-Vazquez*, and *Robert M. McNab*, Naval Post-Graduate School

Discussant: *Charles L. Vehorn*, International Monetary Fund

FEDERALISM AT RISK

Moderator: *Elliott J. Dubin*, Multistate Tax Commission

Panel: *Michael Mazerov*, Center for Budget Priorities and Policies

Kelly D. Edmiston, Georgia State University

Robert J. Cline, Ernst and Young, LLP

FINANCING FOR STATE AND LOCAL GOVERNMENTS UNDER ECONOMIC AND DEMOGRAPHIC PRESSURE

Moderator: *Roy W. Bahl*, Georgia State University

Presentations: Is There an Optimal Capital Structure for Municipal Governments? - *Dwight V. Denison*, New York University, and *Myungsoon Hur*, Kyunghee University

School Revenue Limits and Teacher Salaries: Evidence from Wisconsin - *Jennifer Imazeki*, San Diego State University

Allocating Property Tax Revenue under California's Proposition 13 - *Therese A. McCarty*, Union College, *Terri A. Sexton*, *Steven M. Sheffrin* and *Stephen D. Shelby*, University of California Davis

Assessing the Burden of Increased Health Care Expenditures on State Government Finances - *David Merriman*, Loyola University, Chicago, and *Mark Skidmore*, University of Wisconsin-Whitewater

3:30 - 5:00 PM

Concurrent Sessions and Committee Meetings

FISCAL EFFECTS OF DEMOGRAPHIC CHANGE

Moderator: *Leslie E. Papke*, Michigan State University

Presentations: Demographic Change and Fiscal Stress on States: The Case of Michigan - *Paul L. Menchik*, Michigan State University

The Impact of Marriage and Labor Force Participation on Long-Run Social Security Finances - *Amy Rehder Harris* and *Josh O'Harra*, Congressional Budget Office

Hooking up and Splitting up in Pittsburgh and Philadelphia: Distribution, Fiscal and Spatial Effects - *Robert P. Strauss* and *Mohd Yusno Yunos*, Heinz School, Carnegie Mellon University

Discussants: *Therese J. McGuire*, University of Illinois at Chicago

William T. Bogart, Case Western Reserve University

EMPLOYMENT RELATED TAXATION: 401(K)S, STOCK OPTIONS AND THE EITC

Moderator: *Stacy Dickert-Conlin*, Maxwell School, Syracuse University

Presentations: Taxing Options: The Impact of Tax-Favored Treatment on Employee Compensation - *Tricia Coxwell*, *Martin Gritsch* and *Elizabeth Ekmekjian*, William Patterson University

401(k)s and Household Saving: New Evidence from the Survey of Consumer Finances - *Karen Pence*, University of Wisconsin

Reforming the Earned Income Tax Credit – *Laurence Seidman* and *Saul Hoffman*, University of Delaware

The EITC and Fertility - *Reagan Baughman* and *Stacy Dickert-Conlin*, Maxwell School, Syracuse University

Discussants: *Reagan Baughman*

William G. Gale, The Brookings Institution

Janet Holtzblatt, Office of Tax Analysis, U.S. Treasury Department

THINKERS' SESSION--Taxation for Developing Countries: A World Bank Course Proposal

Panel: *Robert D. Ebel*, The World Bank

Anna Hansson, The World Bank

Michael Engelschalk

, The World Bank

3:30 - 5:00 PM

Committee Meetings

5:00 - 6:00 PM

ANNUAL MEETING OF THE NATIONAL TAX ASSOCIATION-TAX INSTITUTE OF AMERICA

6:00 - 7:00 PM

RECEPTION

Friday, November 9

Registration - Second Floor Artrium Lobby 8:00 AM - 4:00 PM

8:30-10:00 AM

General Session- PRESSURES AND PROSPECTS FOR STATE AND LOCAL GOVERNMENT FINANCE

Moderator: Ronald Fisher, Michigan State University

Presentations: Technological Changes and their Impact on State and Local Finances - *Kelly D. Edmiston*, Georgia State University; and *William F. Fox*, University of Tennessee-Knoxville

How Sprawl Might Affect State and Local Government Finances - *Therese J. McGuire*, University of Illinois-Chicago, and *David L. Sjoquist*, Georgia State University

The Effect of Political Forces on State and Local Government Finance - *Daniel Mullins*, American University

The Federal Government and the Future of State and Local Government Finances

- *Daphne A. Kenyon*, Josiah Bartlett Center for Public Policy

10:15-11:45 AM

Concurrent Sessions

STOCK MARKET ROCK-N-ROLL, CAPITAL GAINS TANGO AND FISCAL REVENUE SWINGS

Moderator: *Ranjana G. Madhusudhan*, New Jersey Department of Treasury

Presentations: The Effect of Asset Price Changes on Federal Receipts - *Nicholas Bull*, Office of Tax Analysis U.S. Department of the Treasury

The Stock Market's Extraordinary Impact on California Revenues - *Brad Williams*, California Legislative Analyst's Office

Income Tax Forecasts and the Stock Market: Minnesota Experience - *Thomas Stinson*, Minnesota Department of Finance

The Impact of the Wealth Explosion on New Jersey's Income Tax Forecasting Process - *Thomas Beam*, *Richard Kaluzny* and *Ranjana Madhusudhan*, Office of Revenue and Economic Analysis, New Jersey Department of Treasury

Volatility of the Capital Gains Forecast: A Monte Carlo Study - *Lynn Holland*, *Robert Megna*, *Prawpan Siwapradit* and *Quang Xu*, New York State Division of the Budget

Discussants: *Larry Ozanne*, Congressional Budget Office

Robert Tannenwald, Federal Reserve Bank of Boston

SUBNATIONAL VAT

Moderator: *Richard M. Bird*, University of Toronto, and The World Bank

Presentations: States' Rights under a VAT - *Michael Keen*, International Monetary Fund

Zero-Rating of Interstate Sales under a Subnational VAT: A New Approach - *Satya Poddar*, Ernst and Young, LLP

Issues in the Design and Implementation of Production and Consumption VATS for the American States – *William F. Fox* and *Matthew Murray*, University of Tennessee-Knoxville, and *LeAnn Luna*, University of North Carolina - Wilmington

Discussant: *Roy Bahl*, Georgia State University

SPATIAL ASPECTS OF STATE AND LOCAL PUBLIC FINANCE

Moderator: *Jonathan Rork*, Vassar College

Presentations: The Impact of State Taxes on Border Employment in Multistate MSAs - *J. William Harden*, University of North Carolina-Greensboro, and *William H. Hoyt* and *Chris Bollinger*, University of Kentucky

A Comparison of Salary and Spending Spillovers across Ohio School Districts - *Tod S. Porter*, Youngstown State University; and *Gary A. Wagner*, Duquesne University

The Death of State Taxes—How Quick and How Painless - *Karen Smith Conway*, University of New Hampshire, and *Jonathan C. Rork*

Retail Sprawl, Urban Containment, and the Fiscalization of Land Use in the Western United States - *Robert W. Wassmer*, California State University Sacramento

Discussant: *Matthew N. Murray*, University of Tennessee-Knoxville

Noon- 1:30 PM

Lunch

1:45 - 3:15 PM

Concurrent Sessions

TAXATION OF E-COMMERCE

Moderator: *John Coalson*, Alston and Bird

Panel: *Diann Smith*, Committee on State Taxation

Frank Shafroth, National Governor's Association

Merle Buff, American Express

TAX TREATMENT OF THE FAMILY

Moderator: *Jane G. Gravelle*, Congressional Research Service, Library of Congress

Presentations: Tax Rates and Family Characteristics: Changes in Effective Rates over the Last Two Decades - *David Weiner*, *Roberton C. Williams, Jr.*, and *Edward Harris*, Congressional Budget Office

Possibility, Impossibility, and History in the Origins of the Marriage Tax - *Marcus Berliant* and *Paul Rothstein*, Washington University

Measurements of Efficiency and Productivity Indexing of Tax Systems: A Case Study of Federal Income Tax Based on Income and Marital Status - *James K. Self*, Southern Illinois University

Discussants: *Albert J. Davis*, U.S. House of Representatives, Ways and Means Committee

James R. Alm, Georgia State University

DOMESTIC AND INTERNATIONAL CORPORATE TAXATION

Moderator: *William Randolph*, Office of Tax Analysis, U.S. Treasury Department

Presentations: The Importance of Capital Income Tax Neutrality as a Benefit of a Switch to Corporate Taxes - *James B. Mackie, III*, Office of Tax Analysis, U.S. Treasury Department

Choice to Affiliate: The Missing Link in the Search for a Unique Intra-Company Price for a Developed Intangible - *Laura Clauser*, Office of Tax Analysis, U.S. Treasury Department

Giving to the Limit? The Charitable Contributions of Corporations - *Gerald Auten* and *John McClelland*, Office of Tax Analysis, U.S. Treasury Department

Stock Options and Federal Tax Receipts: Recent Evidence - *Mathew Knittel* and *Scott Jaquette*, Office of Tax Analysis, U.S. Treasury Department

3:30 - 5:00 PM

Concurrent Sessions

THE FUTURE OF TAX EXPENDITURE BUDGETS

Moderator: *Barbara Edwards*, Congressional Budget Office

Presentations: Is It Time to Rethink the Tax Expenditure Concept? - *Eric J. Toder*, Internal Revenue Service

Fiscal Transparency, Budget Processes, and Tax Expenditures: An International Perspective - *John Craig* and *William Allan*, International Monetary Fund

The Tax Expenditure Concept at the State Level: Conflict between Fiscal Control and Sound Tax Policy - *John L. Mikesell*, Indiana University

Discussant: *Barbara Edwards*

PROPERTY VALUES AND LOCAL PUBLIC FINANCE

Moderator: *Andrew Reschovsky*, University of Wisconsin-Madison

Presentations: Enterprise Zones and Property Values: What We Know (Or Maybe Don't) - *Joseph Cordes* and *Nancy Gardner*, George Washington University

The Impact of School Choice on Property Values: Michigan's Experience - *Eric P. Bettinger* and *William T. Bogart*, Case Western Reserve University

The Spillover Effects of Subsidized Housing: Evidence from New York City - *Amy Ellen Schwartz*, *Ingrid Gould* and *Michael Schill*, New York University

Discussant: *William Hoyt*, University of Kentucky

INTERNATIONAL TAXATION: POLITICS AND REVENUE

Moderator: *Jorge Martinez-Vazquez*, Georgia State University

Presentations: Tax Systems in the World: An Empirical Investigation into the Importance of Tax Bases, Collection Costs, and Political Regime - *Lawrence Kenny*, University of Florida, and *Stanley Winer*, Carleton University

Tax Culture - *Birger Nerre*, Institute of Public Finance, University of Hamburg

Property Taxation and Administration - *Richard Almy*, Almy, Gludemans, Jacobs and Denne

Tax Reform Challenges in What is Left of Yugoslavia - *John E. Anderson*, University of Nebraska Lincoln

Discussant: *Sally Wallace*, Georgia State University

5:00 PM - 6:00 PM

Concurrent Sessions

Saturday, November 10

8:30-10:00 AM

Concurrent Sessions

THE GREAT HOPE: ENTREPRENEURSHIP

Moderator: *Mark Rider*, Kennesaw State University

Presentations: Income Taxes and the Philanthropy of Entrepreneurs - *Donald K. Bruce*, University of Tennessee-Knoxville, and *Douglas Holtz-Eakin*, Maxwell School, Syracuse University

The Effect of Tax-Preferred Savings Incentives on Entrepreneurs - *Laura Power*, Office of Tax Analysis, U.S. Department of Treasury, and *Mark Rider*

Do State Tax Rates Effect Entrepreneurial Activity - *Ron Oliver*, University of Massachusetts, Lowell

ISSUES IN CORPORATE TAXATION

Moderator: *Kelly D. Edmiston*, Georgia State University

Presentations: Business Investment and State Capital Taxes: Empirical Lessons from the Tax Competition Literature - *Brian G. Knight*, Federal Reserve Board of Governors

Strategic, Political, and Economic Factors Influencing State Tax Policy Changes - *Thomas C. Omer* and *Marjorie K. Shelley*, University of Illinois at Urbana-Champaign

The Effect of State Income Tax Apportionment and Tax Incentives on New Capital Expenditures - *Sanjay Gupta* and *Mary Ann Hofmann*, Arizona State University

FRONTIERS OF PUBLIC FINANCE—NTA Outstanding Doctoral Dissertation Award Winners

Moderator: *William Oakland*, Tulane University

TAXING SOMETHING: ALTERNATIVE MINIMUM TAXES

Moderator: *Jerry Tempalski*, Office of Tax Analysis, U.S. Department of the Treasury

Presentations: The Impact of the 2001 Tax Bill on the Individual AMT - *Jerry Tempalski*

Who Pays the Corporate Alternative Minimum Tax: Results from Corporate Panel Data for 1987-1999 - *Curtis Carlson*, Office of Tax Analysis, U. S. Department of the Treasury

IRS Practice and Procedures and the AMT - *Tad Ransopher*, Georgia State University

Discussants: *Daniel N. Shaviro*, Law School, New York University

Jonathan Talisman, Capitol Tax Partners

EXPERIMENTAL ECONOMICS AND TAX POLICY

Moderator: *Michael McKee*, University of New Mexico

Presentations: Tax Compliance as a Coordination Game - *James R. Alm*, Georgia State University, and *Michael McKee*

Tax Compliance as Contagion: Simulation Analysis - *Jon Davis*, University of Wisconsin

Efficient Use of Seed Money for Fund Raising: Pre-Campaign vs. Matching Contributions - *John List*, University of Maryland, and *Daniel Rondeau*, University of Victoria

THE STATE OF PUBLIC FINANCES OF LOCAL GOVERNMENTS

Moderator: *Richard Hawkins*, University of West Florida

Presentations: Municipal Electric Utilities and Local Government Tax Policy: Do the Neighbors Matter? *Matthew N. Murray* and *Paula Dowell*, University of Tennessee-Knoxville

A Case Study on Border Effects in Local Tax Structures - *LeAnn Luna*, University of North Carolina-Wilmington, and *Richard Hawkins*

Local Government Structure and Public Expenditures - *John Charles Bradbury*, University of the South, and *E. Frank Stephenson*, Berry College

Discussant: *Fitzroy Lee*, Office of Taxation and Revenue, District of Columbia

Sally Wallace, Andrew Young School of Policy Studies Georgia State University, Chair
Roy W. Bahl, Georgia State University
Richard M. Bird, University of Toronto and The World Bank
Laura Clauser, Office of Tax Analysis, U.S. Treasury Department
John Coalson, Alston and Bird, Atlanta
Stacy Dickert-Conlin, Maxwell School, Syracuse University
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Jonathan Rork, Vassar College
Amy Ellen Schwartz, Wagner School, New York University
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