

Problem Set 6

Due Lecture 7 in class on paper

1. Gruber Chapter 19, Question 4
2. Gruber Chapter 19, Question 12
3. Corporate Income Tax

The incidence of the corporate income tax is one of the most heavily debated issues in economics. The United States recently passed substantial corporate tax reform, lifting some tax burden. Briefly discuss which parties could possibly bear the burden of the tax, and who therefore benefits most from its decline.

Don't discuss how the burden of the tax is shared – just identify who could possibly bear the burden of the tax, and who would, therefore, benefit from potential tax changes.