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978-0-521-58776-1 - Tax Progressivity and Income Inequality  
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This book assembles nine research papers written by leading public-finance economists on the subject of tax progressivity and its relationship to income inequality.

The papers document the changes during the 1980s in progressivity at the federal, state, and local level in the United States. Conceptual issues about how to measure progressivity are investigated, as well as the extent to which declining progressivity contributed to the well-documented increase in income inequality over the past two decades.

Several papers investigate the economic impact and cost of progressive tax systems. Special attention is given to behavioral responses – including portfolio composition – to the taxation of high-income individuals.

The concluding papers address the contentious issue of what constitutes a “fair” tax system. They contrast public attitudes concerning alternative tax systems to economists’ notions of fairness, and examine the trade-off between fairness and economic growth.

Each paper is followed by the formal commentary of a conference participant plus a summary of the conference discussion.

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# Tax progressivity and income inequality

*Edited by*

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## Preface

The question of tax progressivity – who should bear the tax burden – has fascinated tax philosophers for over a century, and remains highly controversial in the 1990s. The ultimate answer to this question depends on ethical judgments into which the field of economics offers no insight, but it also depends on some of the bread-and-butter preoccupations of economics, such as the extent and nature of income inequality and the behavioral response of taxpayers to alternative tax systems.

In an effort to contribute to this ongoing policy debate, the Office of Tax Policy Research commissioned nine studies on the economic issues that are relevant for choosing the appropriate degree of tax progressivity. These papers were presented at a conference held at the Michigan Business School on September 11–12, 1992. This volume begins with an overview chapter and then presents the nine commissioned papers, each followed by the remarks delivered at the conference by a formal commentator and a synopsis of the general discussion that followed the conference presentations.

I would like to thank the Bradley Foundation for providing the financial support for this conference. The conference project could not have been successful without the efforts of Mary Molter, who provided all of the logistical support in her usual professional and cheerful manner. Thanks are also due to Marta Diaz, David Hummels, and Alec Rodney, who helped prepare the general discussion synopses.

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