

Cambridge University Press
978-1-009-00202-8 — Economic Principles of Commodity Taxation
Vidar Christiansen , Stephen Smith
Frontmatter
[More Information](#)

Cambridge Elements

Elements in Public Economics

edited by

Robin Boadway

Queen's University

Frank A. Cowell

The London School of Economics and Political Science

Massimo Florio

University of Milan

ECONOMIC PRINCIPLES OF COMMODITY TAXATION

Vidar Christiansen

University of Oslo

Stephen Smith

University College London



CAMBRIDGE
UNIVERSITY PRESS

Cambridge University Press
978-1-009-00202-8 — Economic Principles of Commodity Taxation
Vidar Christiansen , Stephen Smith
Frontmatter
[More Information](#)

CAMBRIDGE
UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India

79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of
education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781009002028

DOI: 10.1017/9781009004497

© Vidar Christiansen and Stephen Smith 2021

This publication is in copyright. Subject to statutory exception
and to the provisions of relevant collective licensing agreements,
no reproduction of any part may take place without the written
permission of Cambridge University Press.

First published 2021

A catalogue record for this publication is available from the British Library.

ISBN 978-1-009-00202-8 Paperback

ISSN 2516-2276 (online)

ISSN 2516-2268 (print)

Cambridge University Press has no responsibility for the persistence or accuracy of
URLs for external or third-party internet websites referred to in this publication
and does not guarantee that any content on such websites is, or will remain,
accurate or appropriate.

Cambridge University Press
978-1-009-00202-8 — Economic Principles of Commodity Taxation
Vidar Christiansen , Stephen Smith
Frontmatter
[More Information](#)

Economic Principles of Commodity Taxation

Elements in Public Economics

DOI: 10.1017/9781009004497
First published online: March 2021

Vidar Christiansen
University of Oslo

Stephen Smith
University College London

Author for correspondence: Vidar Christiansen, vidar.christiansen@econ.uio.no

Abstract: This Element provides a broad overview of economic aspects of commodity taxation, focussing in particular on theory and on policy applications in OECD countries. Some major papers in public economics have discussed whether these taxes should be levied at a uniform rate, or whether different commodities should be taxed differently, for reasons of either equity or efficiency. The authors begin with this question, and then discuss further issues, including the economic incidence of indirect commodity taxes, the properties of the VAT, the taxation of financial services, the international aspects of commodity taxation, and environmental and health policy aspects.

Keywords: Value added tax, sales taxes, social efficiency and distribution, behavioural effects of taxation, international aspects of tax policy, taxation of financial services

© Vidar Christiansen and Stephen Smith 2021

ISBNs: 9781009002028 (PB), 9781009004497 (OC)
ISSNs: 2516-2276 (online), 2516-2268 (print)

Contents

Preface	1
1 Introduction and Overview	1
2 The Optimal Structure of Commodity Taxes	4
3 Commodity Tax Incidence	16
4 Economic Aspects of the VAT	21
5 VAT and Financial Services	25
6 International Aspects of Indirect Taxation	34
7 Using Indirect Taxes to Achieve Changes in Behaviour	45
8 Some Further Issues	56
9 Directions for Future Research	64
Appendix	67
References	69