

1	Module name MSE-6410	Taxation and labor supply	5 ECTS
2	Courses/lectures	L: Taxation and labor supply (2 semester hours) E: Taxation and labor supply (2 semester hours)	2,5 ECTS 2,5 ECTS
3	Lecturers	Prof. Büttner and assistants	

4	Module coordinator	Prof. Büttner	
5	Contents	The course is concerned with the effects of taxation and welfare programs on the labor supply of private households from a theoretical as well as an empirical perspective. The lecture covers implications for the supply of hours, participation decisions, and tax evasion. Various details of the tax system are considered including progressive income taxes and allowances, consumption taxes, and also welfare aid. Key contributions and controversies are reviewed and also recent approaches to empirical testing and identifying tax effects in the data are discussed.	
6	Learning objectives and skills	Students are able to apply the economic decision model to questions of household taxation and to analyse the consequences of key features of the tax system on labour supply decisions including hours and participation. Students understand, how the microeconomic theory can be used to make quantitative assessments of tax systems and to analyse the main empirical results and studies which are used in the current policy studies. Moreover, they are acquainted with new econometric approaches to study effects of taxation on labour supply decisions.	
7	Prerequisites	Microeconomics	
8	Integration in curriculum	3. semester	
9	Module compatibility	Master Economics (for students that started their studies in winter term 15/16 or later): Elective compulsory subjects Master Economics (for students that started their studies before winter term 15/16): Wahlbereich (MSE-5970) Master FACT: Vertiefungs- und Ergänzungsbereich (MSE-3982) Master Arbeitsmarkt und Personal: Wahlbereich (MSE-6410)	
10	Method of examination	Lecture and exercise: written examination (90 minutes)	
11	Grading procedure	Written examination (100%)	
12	Module frequency	Annually in the winter term	
13	Workload	Presence: 60 h Independent study: 90 h Lecture notes are provided at the beginning of the course.	
14	Module duration	1 semester	
15	Teaching and examination language	English	
16	(Recommended) reading	Prescott, E. C., (2004), Why do Americans work so much more than Europeans, Federal Reserve Bank of Minneapolis Quarterly Review, 28, 2-13.	