

Thor O. Thoresen, april, 2015

## **Seminar assignment for seminar 29th of April**

### **Problem 1**

Why has the concept Elasticity of Taxable Income (ETI) become so popular and widely estimated in applied work? Define the ETI and explain what it means and describe how one can estimate the ETI. What type of data would you use?

### **Problem 2**

What does it mean to estimate a structural labor supply model and what are the advantages of obtaining information about tax responsiveness from such a tool (instead of using the ETI)?

### **Problem 3**

A discrete choice modelling framework is often used to in the estimation of a labor supply model. Describe the main elements of this procedure.

### **Problem 4**

The Minister of finance asks you to describe the development in tax redistribution over time. Explain how you would proceed.

### **Problem 5**

Why is it advantageous to apply methods under the headings “common base” or “fixed income”?

### **Problem 6**

Say something about the main tax changes according to Norwegian tax reform of 2006 and describe how they influence tax redistribution.