

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Studies in State and Local Public Finance

Volume Author/Editor: Harvey S. Rosen, ed.

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-72621-5

Volume URL: <http://www.nber.org/books/rose86-1>

Publication Date: 1986

Chapter Title: Front matter, Studies in State and Local Public Finance

Chapter Author: Harvey S. Rosen

Chapter URL: <http://www.nber.org/chapters/c8894>

Chapter pages in book: (p. -12 - 0)



National
Bureau of
Economic
Research

Studies in State and Local Public Finance

Edited by
Harvey S. Rosen

This Page Intentionally Left Blank

**Studies in State and
Local Public Finance**



A National Bureau
of Economic Research
Project Report

Studies in State and Local Public Finance

Edited by **Harvey S. Rosen**



The University of Chicago Press

Chicago and London

Harvey S. Rosen is professor of economics at Princeton University and a research associate of the National Bureau of Economic Research. He is the author of *Public Finance*.

The University of Chicago Press, Chicago 60637
The University of Chicago Press, Ltd., London

© 1986 by the National Bureau of Economic Research
All rights reserved. Published 1986
Printed in the United States of America
95 94 93 92 91 90 89 88 87 86 5 4 3 2 1

Library of Congress Cataloging-in-Publication Data

Main entry under title:

Studies in state and local public finance.

(National Bureau of Economic Research project report)

Bibliography: p.

Includes indexes.

1. Finance, Public—United States—States—Addresses, essays, lectures. 2. Local finance—United States—Addresses, essays, lectures. I. Rosen, Harvey S.
II. Series.

HJ275.S76 1986 336.73 85-30904

ISBN 0-226-72621-5

National Bureau of Economic Research

Officers

Franklin A. Lindsay, *Chairman*
Richard Rosett, *Vice Chairman*
Martin Feldstein, *President*

Geoffrey Carliner, *Executive Director*
Charles A. Walworth, *Treasurer*
Sam Parker, *Director of Finance and Administration*

Directors at Large

Moses Abramovitz
Andrew Brimmer
George T. Conklin, Jr.
Jean A. Crockett
Morton Ehrlich
Martin Feldstein
Edward L. Ginzton
David L. Grove

Walter W. Heller
Saul B. Klamann
Franklin A. Lindsay
Roy E. Moor
Geoffrey H. Moore
Michael H. Moskow
James J. O'Leary
Peter G. Peterson

Robert V. Roosa
Richard N. Rosett
Bert Seidman
Eli Shapiro
Stephen Stamas
Donald S. Wasserman
Marina v.N. Whitman

Directors by University Appointment

Marcus Alexis, *Northwestern*
Charles H. Berry, *Princeton*
James Duesenberry, *Harvard*
Ann F. Friedlaender, *Massachusetts Institute of Technology*
J. C. LaForce, *California, Los Angeles*
Paul McCracken, *Michigan*
James L. Pierce, *California, Berkeley*

Nathan Rosenberg, *Stanford*
James Simler, *Minnesota*
James Tobin, *Yale*
John Vernon, *Duke*
William S. Vickrey, *Columbia*
Burton A. Weisbrod, *Wisconsin*
Arnold Zellner, *Chicago*

Directors by Appointment of Other Organizations

Carl F. Christ, *American Economic Association*
Robert S. Hamada, *American Finance Association*
Gilbert Heebner, *National Association of Business Economists*
Robert C. Holland, *Committee for Economic Development*
Douglas Purvis, *Canadian Economics Association*

Douglass C. North, *Economic History Association*
Rudolph A. Oswald, *American Federation of Labor and Congress of Industrial Organizations*
Albert Sommers, *The Conference Board*
Dudley Wallace, *American Statistical Association*
Charles A. Walworth, *American Institute of Certified Public Accountants*

Directors Emeriti

Arthur Burns
Emilio G. Collado
Solomon Fabricant
Frank Fetter

Thomas D. Flynn
Gottfried Haberler
George B. Roberts
Murray Shields

Lazare Teper
Willard L. Thorp
Theodore O. Yntema

Relation of the Directors to the Work and Publications of the National Bureau of Economic Research

1. The object of the National Bureau of Economic Research is to ascertain and to present to the public important economic facts and their interpretation in a scientific and impartial manner. The Board of Directors is charged with the responsibility of ensuring that the work of the National Bureau is carried on in strict conformity with this object.

2. The President of the National Bureau shall submit to the Board of Directors, or to its Executive Committee, for their formal adoption all specific proposals for research to be instituted.

3. No research report shall be published by the National Bureau until the President has sent each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the principles of the National Bureau. Such notification will include an abstract or summary of the manuscript's content and a response form for use by those Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied, the character of the data and their utilization in the report, and the main conclusions reached.

4. For each manuscript so submitted, a special committee of the Directors (including Directors Emeriti) shall be appointed by majority agreement of the President and Vice Presidents (or by the Executive Committee in case of inability to decide on the part of the President and Vice Presidents), consisting of three Directors selected as nearly as may be one from each general division of the Board. The names of the special manuscript committee shall be stated to each Director when notice of the proposed publication is submitted to him. It shall be the duty of each member of the special manuscript committee to read the manuscript. If each member of the manuscript committee signifies his approval within thirty days of the transmittal of the manuscript, the report may be published. If at the end of that period any member of the manuscript committee withholds his approval, the President shall then notify each member of the Board, requesting approval or disapproval of publication, and thirty days additional shall be granted for this purpose. The manuscript shall then not be published unless at least a majority of the entire Board who shall have voted on the proposal within the time fixed for the receipt of votes shall have approved.

5. No manuscript may be published, though approved by each member of the special manuscript committee, until forty-five days have elapsed from the transmittal of the report in manuscript form. The interval is allowed for the receipt of any memorandum of dissent or reservation, together with a brief statement of his reasons, that any member may wish to express; and such memorandum of dissent or reservation shall be published with the manuscript if he so desires. Publication does not, however, imply that each member of the Board has read the manuscript, or that either members of the Board in general or the special committee have passed on its validity in every detail.

6. Publications of the National Bureau issued for informational purposes concerning the work of the Bureau and its staff, or issued to inform the public of activities of Bureau staff, and volumes issued as a result of various conferences involving the National Bureau shall contain a specific disclaimer noting that such publication has not passed through the normal review procedures required in this resolution. The Executive Committee of the Board is charged with review of all such publications from time to time to ensure that they do not take on the character of formal research reports of the National Bureau, requiring formal Board approval.

7. Unless otherwise determined by the Board or exempted by the terms of paragraph 6, a copy of this resolution shall be printed in each National Bureau publication.

(Resolution adopted October 25, 1926, as revised through September 30, 1974)

Contents

	Acknowledgments	ix
1.	Introduction Harvey S. Rosen	1
2.	Explaining the Yield Spread between Taxable and Tax-exempt Bonds: The Role of Expected Tax Policy James M. Poterba <i>Comment:</i> Douglas Holtz-Eakin	5
3.	An Empirical Examination of Municipal Financial Policy Roger H. Gordon and Joel Slemrod <i>Comment:</i> Peter Mieszkowski	53
4.	Property Taxes and Firm Location: Evidence from Proposition 13 Michelle J. White <i>Comment:</i> Sharon Bernstein Megdal	83
5.	Welfare Effects of Marginal-Cost Taxation of Motor Freight Transportation: A Study of Infrastructure Pricing Kenneth A. Small and Clifford Winston <i>Comment:</i> Paul N. Courant	113
6.	State Personal Income and Sales Taxes, 1977– 1983 Daniel R. Feenberg and Harvey S. Rosen <i>Comment:</i> George R. Zodrow	135

7.	Education, Welfare, and the “New” Federalism: State Budgeting in a Federalist Public Economy	187
	Steven G. Craig and Robert P. Inman	
	<i>Comment:</i> Helen F. Ladd	
	List of Contributors	229
	Author Index	231
	Subject Index	233

Acknowledgments

This volume, consisting of papers presented at a conference held at Halloran House in New York City, 15–16 June 1984, presents research carried out as part of the National Bureau of Economic Research's project on government budget and the private economy. The National Bureau has undertaken this project with the support of the Carthage Foundation, the J. M. Foundation, the Lilly Endowment, Inc., the John M. Olin Foundation, Inc., and the J. Howard Pew Freedom Trust.

The many people whose advice and assistance have helped to make this volume possible include National Bureau directors Moses Abramovitz, Morton Ehrlich, and Don Wasserman; National Bureau research associate David F. Bradford; and National Bureau research affiliate Daniel Frisch.

The opinions expressed in this volume are those of the respective authors. They do not necessarily reflect the views of the National Bureau of Economic Research, or any other organization.

Harvey S. Rosen

This Page Intentionally Left Blank