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

Volume Title: Tax Policy and the Economy, Volume 12

Volume Author/Editor: James M. Poterba, editor

Volume Publisher: MIT Press

Volume URL: http://www.nber.org/books/pote98-1

Publication Date: January 1998

Chapter Title: Front matter to "Tax Policy and the Economy, Volume 12"

Chapter Author: James M. Poterba

Chapter URL: http://www.nber.org/chapters/c10909

Chapter pages in book: (p. -13 - -8)

TAX POLICY AND THE ECONOMY 12

edited by James M. Poterba

National Bureau of Economic Research The MIT Press, Cambridge, Massachusetts Send orders and business correspondence to: The MIT Press Five Cambridge Street Cambridge, MA 02142

In the United Kingdom, continental Europe, and the Middle East and Africa, send orders and business correspondence to:

The MIT Press Ltd. Fitzroy House, 11 Chenies Street London WC1E 7ET ENGLAND

ISSN: 9892-8649

ISBN: hardcover 0-262-16176-1 paperback 0-262-66109-8

Copyright Information

Permission to photocopy articles for internal or personal use, or the internal or personal use of specific clients, is granted by the copyright owner for users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the fee of \$10.00 per copy is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. The fee code for users of the Transactional Reporting Service is: 0892-8649/98 \$10.00. For those organizations that have been granted a photocopy license with CCC, a separate system of payment has been arranged.

© 1998 by the National Bureau of Economic Research and the Massachusetts Institute of Technology.

NATIONAL BUREAU OF ECONOMIC RESEARCH

Officers:

John H. Biggs, Chairman
Carl F. Christ, Vice Chairman
Martin Feldstein, President and Chief Executive Officer
Gerald A. Polansky, Treasurer
Sam Parker, Director of Finance and Corporate Secretary
Susan Colligan, Assistant Corporate Secretary
Deborah Mankiw, Assistant Corporate Secretary

Directors at Large:

Peter C. Aldrich Elizabeth E. Bailey John H. Biggs Andrew Brimmer Carl F. Christ Don R. Conlan Kathleen B. Cooper George C. Eads Martin Feldstein Stephen Friedman George Hatsopoulos Karen N. Horn Lawrence R. Klein Leo Melamed Merton H. Miller Michael H. Moskow

Robert T. Parry
Peter G. Peterson
Richard N. Rosett
Bert Seidman
Kathleen P. Utgoff
Marina v. N. Whitman
John O. Wilson

Directors by University Appointment:

George Akerlof, California, Berkeley Jagdish Bhagwati, Columbia William C. Brainard, Yale Glen G. Cain, Wisconsin Franklin Fisher, Massachusetts Institute of Technology Saul H. Hymans, Michigan Marjorie B. McElroy, Duke Joel Mokyr, Northwestern Andrew Postlewaite, Pennsylvania Nathan Rosenberg, Stanford Harold T. Shapiro, Princeton Craig Swan, Minnesota David B. Yoffie, Harvard Arnold Zellner, Chicago

Directors by Appointment of Other Organizations:

Marcel Boyer, Canadian Economics
Association
Mark Drabenstott, American
Agricultural Economics Association
William C. Dunkelberg, National
Association of Business Economists
Gail D. Fosler, The Conference Board
A. Ronald Gallant, American
Statistical Association
Robert S. Hamada, American Finance
Association

Rudolph A. Oswald, American
Federation of Labor and Congress of
Industrial Organizations
Gerald A. Polansky, American
Institute of Certified Public Accountants
John J. Siegfried, American Economic
Association
Josh S. Weston, Committee for
Economic Development
Gavin Wright, Economic History
Association

Directors Emeriti:

Moses Abramovitz
George T. Conklin, Jr.

Jean A. Crockett
Thomas D. Flynn
Franklin A. Lindsay
Paul W. McCracken

Geoffrey H. Moore James J. O'Leary Eli Shapiro

Since this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).



CONTENTS

Introduction James M. Poterba vii

Acknowledgments xiii

COST SHIFTING OR COST CUTTING?: THE INCIDENCE OF REDUCTIONS IN MEDICARE PAYMENTS 1

David M. Cutler

TAXATION BY TELECOMMUNICATIONS REGULATION 29 Jerry Hausman

TAX INCENTIVES FOR HIGHER EDUCATION 49 Caroline M. Hoxby

THE IMPACT OF THE EARNED INCOME TAX CREDIT ON INCENTIVES AND INCOME DISTRIBUTION 83 Jeffrey B. Liebman

THE SOCIAL SECURITY EARNINGS TEST AND LABOR SUPPLY OF OLDER MEN 121

Leora Friedberg

TRANSITION TO AND TAX-RATE FLEXIBILITY IN A CASH-FLOW-TYPE TAX 151

David F. Bradford

WOULD A CONSUMPTION TAX REDUCE INTEREST RATES? 173

Martin Feldstein

FUNDAMENTAL TAX REFORM AND CORPORATE FINANCIAL POLICY 191

William M. Gentry and R. Glenn Hubbard

TRANSITIONAL ISSUES IN FUNDAMENTAL TAX REFORM: A FINANCIAL-ACCOUNTING PERSPECTIVE 229

Melbert Schwarz, Peter R. Merrill, and Chris R. Edwards