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Behavioral Simulation Methods in Tax Policy Analysis

Edited by

Martin Feldstein

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**Behavioral Simulation
Methods in
Tax Policy Analysis**



A National Bureau
of Economic Research
Project Report

Behavioral Simulation Methods in Tax Policy Analysis

Edited by **Martin Feldstein**

The University of Chicago Press

Chicago and London

MARTIN FELDSTEIN is professor of economics, Harvard University (on leave). He was formerly president of the National Bureau of Economic Research and is currently chairman, Council of Economic Advisers.

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

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Preface

The papers in this volume represent the initial results of a National Bureau of Economic Research project to develop better methods of simulating the effects of alternative tax policies. In keeping with the NBER tradition, the papers do not offer policy advice but emphasize the empirical findings and methodological aspects of the research.

The research project, which has involved more than a dozen NBER research associates and other economists, began two and a half years ago. Although the researchers are located in universities all across the country (and in Canada and England as well), the project represents a collaborative effort and not just a conference of researchers interested in similar questions. Several of the studies are based on a common set of data and computer programs. Others are closely related in the framework that the researchers have adopted and in the tax proposals that are studied.

Research plans and preliminary research results were discussed at meetings of the NBER Taxation Program and at the NBER's 1980 Summer Institute. A preconference in October 1980 brought all the researchers together to discuss preliminary drafts of these papers. The project was supervised by a committee of which I was chairman and on which David Bradford, Charles McLure, and John Shoven served.

The final papers were then represented at a general conference in January 1981 and revised in subsequent months. The present volume includes the revised papers and the remarks of the conference discussants for each paper.

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Martin Feldstein

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