

Charitable Giving, Tax Reform, and Self-selection of Tax Report: Evidence from South Korea

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Our research evaluate the effect of tax relief on charitable giving in South Korea

- We utilize the South Korean (Korea hereafter) tax reform in 2014 which has changed from tax deduction system to tax credit system.
 - The extant research mainly focuses on the tax reform within the regime of tax deduction (Almunia et al., 2020; Auten et al., 2002; Bakija and Heim, 2011; Randolph, 1995) or tax credit (Fack and Landais, 2010).
- We use the Korean panel survey data (NaSTaB).
 - We could consider the sample of low-income household.
 - Our data contains charitable giving irrespective of declarations.
- We take two approach to estimate the effect of tax relief
 1. ITT Approach: we assume that the donors can automatically enjoy tax relief.
 2. IV Approach: we use an “effective” giving price considering whether each tax payer declare tax relief or not (self-selection).

References

References I

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