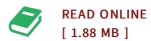




## International Finance Discussion Papers: Tax Smoothing in Frictional Labor Markets

By David M Arseneau, Sanjay K Chugh

Bibliogov, United States, 2013. Paperback. Book Condition: New. 246 x 189 mm. Language: English . Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*. We re-examine the optimality of tax smoothing from the point of view of frictional labor markets. Our central result is that whether or not this cornerstone optimal fiscal policy prescription carries over to an environment with labor market frictions depends crucially on the cyclical nature of labor force participation. If the participation rate is exogenous at business-cycle frequencies -as is typically assumed in the literature -- we show it is not optimal to smooth tax rates on labor income in the face of business-cycle shocks. However, if households do optimize at the participation margin, then tax-smoothing is optimal despite the presence of matching frictions. To understand these results, we develop a concept of general-equilibrium efficiency in search-based environments, which builds on existing (partial-equilibrium) search-efficiency conditions. Using this concept, we develop a notion of search-based labormarket wedges that allows us to trace the source of the sharply-contrasting fiscal policy prescriptions to the value of adjusting participation rates. Our results demonstrate that policy prescriptions can be very sensitive to the cyclical nature of labor-force participation in search-based environments.



#### Reviews

This publication may be worth purchasing. it was actually writtern quite flawlessly and valuable. I am just happy to tell you that this is actually the very best book i actually have study inside my personal life and can be he best ebook for actually.

#### -- Frank Nienow

This is the greatest book we have study right up until now. This can be for all those who statte that there was not a worth reading. Your lifestyle period will probably be enhance when you complete looking at this ebook.

-- Santos Koelpin

### Other PDFs



# Weebies Family Halloween Night English Language: English Language British Full Colour

Createspace, United States, 2014. Paperback. Book Condition: New. 229 x 152 mm. Language: English . Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*. Children s Weebies Family Halloween Night Book 20 starts to teach Pre-School and Junior Children how to read with this...



# Environments for Outdoor Play: A Practical Guide to Making Space for Children (New edition)

SAGE Publications Ltd. Paperback. Book Condition: new. BRAND NEW, Environments for Outdoor Play: A Practical Guide to Making Space for Children (New edition), Theresa Casey, 'Theresa's book is full of lots of inspiring, practical, 'how to go about it ideas' coupled with...



Index to the Classified Subject Catalogue of the Buffalo Library; The Whole System Being Adopted from the Classification and Subject Index of Mr. Melvil Dewey, with Some Modifications.

Rarebooksclub.com, United States, 2013. Paperback. Book Condition: New. 246 x 189 mm. Language: English . Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*. This historic book may have numerous typos and missing text. Purchasers can usually download a free scanned copy of the...



Becoming Barenaked: Leaving a Six Figure Career, Selling All of Our Crap, Pulling the Kids Out of School, and Buying an RV We Hit the Road in Search Our Own American Dream. Redefining What It Meant to Be a Family in America.

Createspace, United States, 2015. Paperback. Book Condition: New. 258 x 208 mm. Language: English. Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*. This isn t porn. Everyone always asks and some of our family thinks it is for sure. but it s not....



7 Steps to Starting a Successful Ebay Business: Make Money on Ebay: Be an Ebay Success with Your Own Ebay Store

Createspace, United States, 2014. Paperback. Book Condition: New. 229 x 152 mm. Language: English. Brand New Book \*\*\*\*\* Print on Demand \*\*\*\*\*. Finally a book that will TEACH YOU step-by-step EXACTLY how to start YOUR own eBay Business! \*\*LIMITED TIME FREE BONUS:...



### Freesourcing: How to Start a Business with No Money

John Wiley and Sons Ltd, United Kingdom, 2010. Paperback. Book Condition: New.  $214 \times 134$  mm. Language: English . Brand New Book. So you ve got the drive to start a business. You might even have the Big Idea all mapped out....