

## Macro Roundup Article

**Headline:** [Who Benefits from State Corporate Tax Cuts? A Local Labor Market Approach with Heterogeneous Firms: Further Results](#)

**Article Link:** <https://www.nber.org/papers/w31206>

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**Tweet:** Owners of firms bear half the incidence of state corporate taxes with workers and landowners paying 35-40% and 10-15% respectively. @J\_C\_Suarez @omzidar

**Summary:** The strategy that identifies firms owner's incidence using the reduced-form effect on labor demand of incumbent firms delivers an estimate of 61.9% (SE = 11%). The second strategy that uses the effects of business taxes on local productivity (TFP) yields an estimate of the firm's owner share of 52.3% (SE = 34%). Our second main finding is that our extended structural model that incorporates these new moments delivers an estimate for firm owners of 53.3% (SE = 12%). Overall, our central estimate is that firm owners bear roughly half of the incidence, while workers and landowners bear 35-40 percent and 10-15 percent, respectively.

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**Primary Topic:** Taxation

**Topics:** Academic paper, Fiscal Policy, GDP, Growth, Taxation

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