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| Prof. Dr. M. Yaish  Dept. of Sociology and Anthropology  University of Haifa  Mt. Carmel, 31905  Haifa, Israel |  | |
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|  | | 26. August 2015 |
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| **Submitting manuscript “The Suitability of Tax Data to Study Trends in Inequality – A theoretical and empirical review with tax data from Switzerland.”** | | |
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Dear Professor Yaish,

- Introduce ourself

Please find attached for your kind review our manuscript entitled "The Suitability of Tax Data to Study Trends in Inequality - A theoretical and empirical review with tax data from Switzerland".

Since the work of Thomas Piketty tax data is commonly used for inequality analyses. While there is an extensive body of literature involving tax data for top income studies, the suitability of tax data to analyse the entire income distribution is not yet clarified thoroughly. In our paper we therefore discuss the general advantages and pitfalls of tax data for inequality research. Based on exclusive datasets (aggregated federal tax statistic and cantonal micro tax data from Switzerland collected through our research team, [www.inequalities.ch](http://www.inequalities.ch)) we estimate magnitude and direction of alleged biases and are able to rank tax data related methodological advantages and shortcomings which are valid also for other countries beyond Switzerland. As a substantial byproduct our tax data based estimations put into question the declining inequality trend reported by surveys.

As reviewer we recommend Prof. Dr. Anthony B. Atkinson, Prof. Dr. Thomas A. DiPrete and Prof. Dr. Marius Brülhart. Mister Atkinson is with no doubt one of the most prominent scientists regarding research on distribution of income. Mister DiPrete is also an expert in the field of inequality research with a large reputation in regard to methodological expertise. We would be glad to have an editor of the journal among our reviewers. Lastly, we recommend Mister Brülhart because he is an inequality expert for Switzerland, who is familiar with tax data from Switzerland.

We wish a joyful and stimulating lecture and look forward to your favorable consideration.

Most sincerely,

Oliver Hümbelin (Bern University of Applied Sciences)

Dr. Rudolf Farys (University of Bern)

Since the work of Thomas Piketty the use of tax data for inequality analysis is quit a common practice. While there is an extensive body of literature involving top income based tax data studies, the utility of tax data for overall inequality studies is not yet clarified thoroughly. In our paper we therefore discuss the general advantages and pitfalls of tax data in relation to the actual state of the art for inequality research. Based on exclusive datasets (aggregated federal tax statistic and cantonal micro tax data from Switzerland collected through our research team, [www.inequalities.ch](http://www.inequalities.ch)) we estimate magnitude and direction of alleged biases and are therefore able to provide a rather general valid ranking of tax data related methodological advantages and shortcomings. As a substantial byproduct our tax data based estimations put the declining trend reported by surveys for Switzerland into question.

As reviewer we recommend Prof. Dr. Anthony B. Atkinson, Prof. Dr. Thomas A. DiPrete and Prof. Dr. Marius Brülhart. Mister Atkinson is with no doubt on of the most prominent scientist regarding research on distribution of income. Mister DiPrete is also an expert in the field of inequality research with a large reputation in regard to methodological expertise. We would be glad to have an editor of the “Research in social stratification and mobility” among our reviewers. Lastly, we recommend Mister Brülhart as reviewer because he is an inequality expert for Switzerland, who is familiar with tax data from Switzerland.