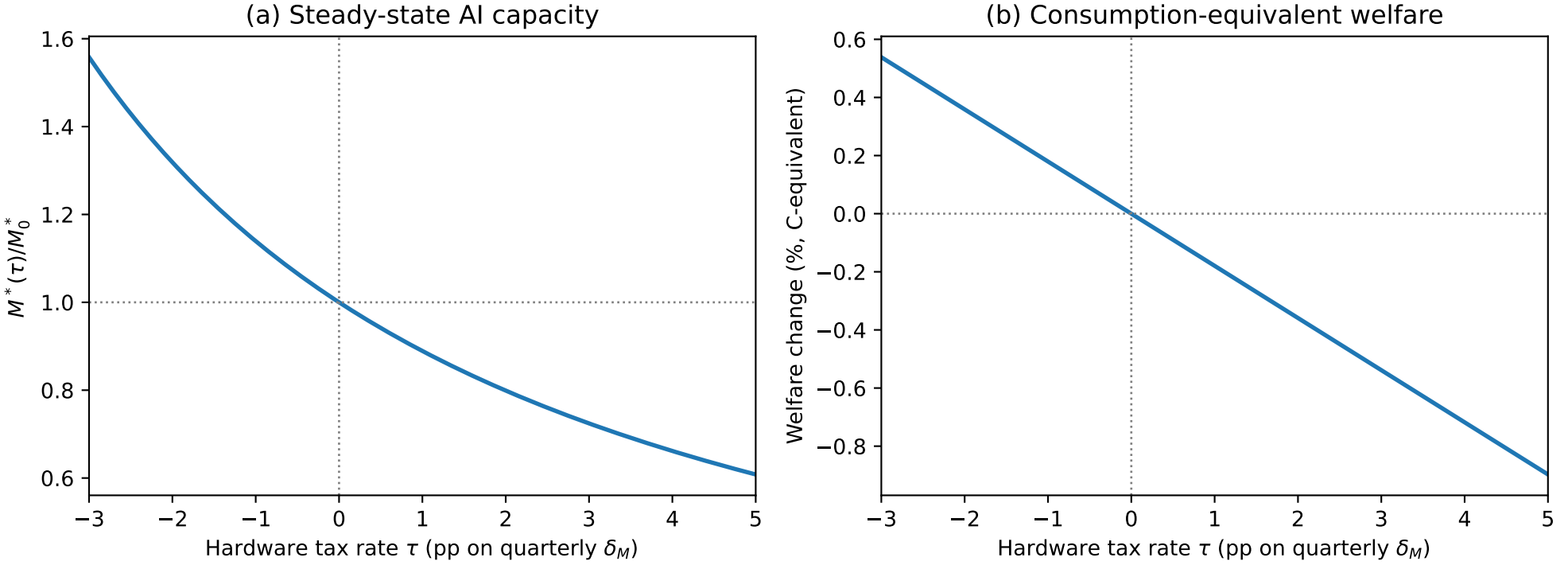
(a) Steady-state AI capacity
$M^*(\tau)/M_0^*$
1.6
1.4
1.2
1.0
0.8
0.6
−3
−2
−1
0
1
2
3
4
5
Hardware tax rate τ (pp on quarterly δ_M)
(b) Consumption-equivalent welfare
Welfare change (%, C-equivalent)
0.6
0.4
0.2
0.0
−0.2
−0.4
−0.6
−0.8
−3
−2
−1
0
1
2
3
4
5
Hardware tax rate τ (pp on quarterly δ_M)