

# 2018 ZEW Public Finance Conference

## The Future of Fiscal Coordination in Europe

Mannheim, April 23/24, 2018

Conference venue: ZEW, L 7, 1, 68161 Mannheim

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**PROGRAMME****Monday, April 23, 2018**

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09:00 – 10:00	Registration
10:00 – 11:30	Parallel Sessions A
11:30 – 12:00	Coffee Break
12:00 – 13:00	Keynote
13:00 – 14:30	Lunch
14:30 – 16:00	Parallel Sessions B
16:00 – 16:30	Coffee Break
16:30 – 18:00	Parallel Sessions C
19:00	Dinner

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**PROGRAMME****Tuesday, April 24, 2018**

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09:00 – 11:00	Parallel Sessions D
11:00 – 11:30	Coffee Break
11:30 – 12:30	Keynote
12:30 – 14:00	Lunch
14:00 – 15:30	Parallel Sessions E
15:35 – 15:45	Closing Remarks

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## Overview of Sessions

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Monday, April 23, 2018				
	Room 1	Room 2	Heinz-König-Hall	Room Brussels
	<b>A1</b>	<b>A2</b>	<b>A3</b>	
<b>10:00 – 11:30</b> Parallel Sessions A	Optimal Fiscal Policy	Taxation & Intellectual Property	Trends in European Taxation	
<b>12:00 – 13:00</b> Keynote				<b>Keynote</b> Agnès Bénassy-Quéré
	<b>B1</b>	<b>B2</b>	<b>B3</b>	
<b>14:30 – 16:00</b> Parallel Sessions B	Experiments in Public Finance	Local Public Finance	Profit Shifting & Possible Remedies	
	<b>C1</b>	<b>C2</b>	<b>C3</b>	
<b>16:30 – 18:00</b> Parallel Sessions C	Fiscal Federalism	Reforming Fiscal Institutions in Europe	Behavioral Responses to Taxation	
Tuesday, April 24, 2018				
	Room 1	Room 2	Heinz-König-Hall	Room Brussels
	<b>D1</b>	<b>D2</b>	<b>D3</b>	
<b>09:00 – 11:00</b> Parallel Sessions D	Optimal Taxation	Political Economy	Profit Shifting: Firm-level Evidence	
<b>11:30 – 12:30</b> Keynote				<b>Keynote</b> Martin Hellwig
	<b>E1</b>	<b>E2</b>	<b>E3</b>	
<b>14:00 – 15:30</b> Parallel Sessions E	Revisiting Fiscal Multipliers	Inequality	CCCTB	

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Monday, April 23, 2018

09:00 – 10:00	Registration (Meeting Hall)		
10:00 – 11:30	Room 1	Room 2	
	<b>Session A1: Optimal Fiscal Policy</b> Chair: Zareh Asatryan	<b>Session A2: Taxation &amp; Intellectual Property</b> Chair: Daniela Steinbrenner	
	<b>Optimal Fiscal Transfers in a Monetary Union</b> <i>Mikhail Dmitriev and <u>Jonathan Hoddenbagh</u></i> Discussant: Tannous Kass-Hanna	<b>Royalty Taxation under Tax Competition and Profit Shifting</b> <i>Steffen Juranek, Dirk Schindler and <u>Andrea Schneider</u></i> Discussant: Leonie Hug	
	<b>Fiscal Policy and the International Transmission of Inequality</b> <i><u>Tannous Kass-Hanna</u> and Alexandre Gaillard</i> Discussant: Laura Casellini	<b>On the Relationship between Public and Private R&amp;D - Evidence from Germany</b> <i><u>Leonie Hug</u> and Martin Simmler</i> Discussant: Laurie Ciaramella	
	<b>Fiscal Rules and Fiscal Performance: Evidence from Switzerland</b> <i><u>Laura Casellini</u> and Raphael Parchet</i> Discussant: Jonathan Hoddenbagh	<b>Patent Boxes and the Relocation of Intellectual Property</b> <i>Laurie Ciaramella</i> Discussant: Andrea Schneider	
Heinz-König-Hall			
<b>Session A3: Trends in European Taxation</b> Chair: Verena Dutt			
<b>Deduction of Equity Interest in Determining the Common Corporate Tax Base proposed by the European Commission</b> <i>Manfred Rose</i> Discussant: Verena Dutt	<b>Increasing Tax Transparency: Investor Reactions to the Country-by-Country Reporting Requirement for EU Financial Institutions</b> <i><u>Verena Dutt</u>, Christopher Ludwig, Katharina Nicolay, Heiko Vay and Johannes Voget</i> Discussant: Olli Ropponen	<b>Investment Incentives and Tax Competition under Allowance for Growth and Investment (AGI)</b> <i>Seppo Kari, Jussi Laitila and <u>Olli Ropponen</u></i> Discussant: Manfred Rose	

11:30 – 12:00	<b>Coffee Break (Meeting Hall)</b>		
12:00 – 13:00 <b>Keynote</b> Room Brussels	<b>Agnès Bénassy-Quéré (Paris School of Economics)</b> <i>A renewed strategy for the euro area</i>		
13:00 – 14:30	<b>Lunch (Meeting Hall)</b>		
14:30 – 16:00	Room 1 <b>Session B1: Experiments in Public Finance</b> Chair: Philipp Dörrenberg	Room 2 <b>Session B2: Local Public Finance</b> Chair: Annika Havlik	
	<b>Mental Accounting of Public Funds - The Flypaper Effect in the Lab</b> <i>Johannes Becker, <u>Daniel Hopp</u> and Michael Kriebel</i> Discussant: Stefanos Tsikas	<b>Loss Aversion and Local Tax Rates: Evidence from Portugal</b> <i>Christian Bruns and <u>Mariana Lopes Da Fonseca</u></i> Discussant: Catarina Alvarez	
	<b>Bringing Tax Avoiders to Light: Framing and Shaming in Public Goods Experiments</b> <i><u>Stefanos Tsikas</u> and <u>Andreas Wagener</u></i> Discussant: Sarah Ciaglia	<b>Property Tax and Real Estate Value: A Natural Experiment from Portugal</b> <i><u>Catarina Alvarez</u> and <u>João Pereira Santos</u></i> Discussant: Dirk Foremny	
	<b>Why Comply? Experimental Evidence on The European Stability and Growth Pact's Incentives for Member States</b> <i><u>Sarah Ciaglia</u></i> Discussant: Daniel Hopp	<b>Revenue Shocks and Fiscal Capacity: Evidence from Brazil</b> <i><u>Dirk Foremny</u>, Claudio Ferraz and Juan Franciso Santini</i> Discussant: Mariana Lopes Da Fonseca	
	<b>Heinz-König-Hall</b> <b>Session B3: Profit Shifting &amp; Possible Remedies</b> Chair: Rainer Bräutigam		
<b>Tax-Response Heterogeneity and the Effects of Double Taxation Treaties on the Location Choices of Multinational Firms</b> <i><u>Simon Behrendt</u> and <u>Georg Wamser</u></i> Discussant: Kunka Petkova	<b>On the Relevance of Double Tax Treaties</b> <i><u>Kunka Petkova</u>, <u>Andrzej Stasio</u> and <u>Martin Zagler</u></i> Discussant: Dominik von Hagen	<b>Controlled Foreign Corporation Rules and M&amp;A Activity</b> <i><u>Dominik von Hagen</u> and <u>Axl Prettl</u></i> Discussant: Simon Behrendt	
16:00 – 16:30	Coffee Break		

	<p>Room 1</p> <p><b>Session C1: Fiscal Federalism</b> Chair: Thomas Schwab</p>	<p>Room 2</p> <p><b>Session C2: Reforming Fiscal Institutions in Europe</b> Chair: Nils Wehrhöfer</p>
16:30 – 18:00	<p><b>Income Insurance in Fiscal Federations: Evidence from the USA</b> <i>Johannes Fleck and Chima Simpson-Bell</i> Discussant: Rose Camille Vincent</p> <p><b>Tax Assignment: A Helping or a Grabbing Hand?</b> <i>Rose Camille Vincent</i> Discussant: Martin Simmler</p> <p><b>Firm Foundation and Location Choices - The Effects of Public Good and Service Provision</b> <i>Martin Simmler, Christian Wittrock and Nadine Riedel</i> Discussant: Johannes Fleck</p>	<p><b>A European Net Wealth Tax</b> <i>Alexander Krenek and Margit Schratzenstaller</i> Discussant: Atanas Pekanov</p> <p><b>The New View on Fiscal Policy and its Implications For The European Monetary Union</b> <i>Atanas Pekanov</i> Discussant: Nils Wehrhöfer</p> <p><b>Attitudes towards Institutional Reforms for the Euro Area</b> <i>Nils Wehrhöfer and Mathias Dolls</i> Discussant: Alexander Krenek</p>
	<p>Heinz-König-Hall</p> <p><b>Session C3: Behavioural Responses to Taxation</b> Chair: Maximilian Todtenhaupt</p>	
	<p><b>Using Big Data to Predict Tax Behaviour</b> <i>Pietro Battiston, Alessandro Santoro and Simona Gamba</i> Discussant: Maximilian Todtenhaupt</p>	<p><b>Capital Gains Taxation and Funding for Start-Ups</b> <i>Maximilian Todtenhaupt and Alexander Edwards</i> Discussant: Jan Luksic</p>
		<p><b>The Macro Labor Supply Elasticity Revisited: Integrating Taxes and Expenditures</b> <i>Jan Luksic</i> Discussant: Pietro Battiston</p>
19:00	Dinner	

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09:00 – 11:00	<b>Room 1</b> <b>Session D1: Optimal Taxation</b> Chair: Leonie Fischer		<b>Room 2</b> <b>Session D2: Political Economy</b> Chair: Sebastian Blesse	
	<b>How Will Brexit Affect Tax Competition and Tax Harmonization? The Role of Discriminatory Taxation</b> <i>Samina Sultan and Clemens Fuest</i> Discussant: Andreas Wagener		<b>Not Welcome Anymore: The Effect of Electoral Incentives on the Reception of Refugees</b> <i>Matteo Gamalerio</i> Discussant: Steffen Müller	
	<b>Evolutionary Tax Competition with Formulary Apportionment</b> Andreas Wagener Discussant: Albert Jan Hummel		<b>The Generation Gap in Direct Democracy</b> <i>Steffen Müller, Gabriel Ahlfeldt and Wolfgang Maennig</i> Discussant: Orlando Zaddach	
	<b>Optimal Tax Progressivity in Frictional Labor Markets</b> <i>Albert Jan Hummel</i> Discussant: Philipp Krug		<b>Does Immigration Affect Public Spending? Empirical Evidence from West Germany</b> <i>Orlando Zaddach</i> Discussant: Matteo Gamalerio	
	<b>Optimal Estate Taxation: More (about) Heterogeneity across Dynasties</b> <i>Philipp Krug</i> Discussant: Samina Sultan			
<b>Heinz-König-Hall</b> <b>Session D3: Profit Shifting: Firm-level Evidence, Chair: Christoph Harendt</b>				
<b>Banks, Debt and the Financial Spillovers of Tax Reforms</b> <i>Serena Fatica, Wouter Heynderickx and Andrea Pagano</i> Discussant: Christoph Harendt		<b>Tax Influence on Financial Structures of M&amp;As</b> <i>Christoph Harendt</i> Discussant: Ann-Catherin Werner		
		<b>Corporate Income and Consumption Tax Planning in the Digital Age - Evidence from European Service Firms</b> <i>Ann-Catherin Werner and Marcel Olbert</i> Discussant: Ilpo Kauppinen		
		<b>Firm Responses to an Interest Barrier: Empirical Evidence</b> <i>Ilpo Kauppinen, Olli Ropponen and Jarkko Harju</i> Discussant: Serena Fatica		



11:00 – 11:30	<b>Coffee Break (Meeting Hall)</b>	
11:30 – 12:30 <b>Keynote</b>	Room Brussels <b>Martin Hellwig (MPI Bonn)</b> <i>Monetary Policy and Public Finance</i>	
12:30 – 14:00	<b>Lunch (Meeting Hall)</b>	
14:00 – 15:30	Room 1 <b>Session E1: Revisiting Fiscal Multipliers</b> Chair: Friedrich Heinemann	Room 2 <b>Session E2: Inequality</b> Chair: Albrecht Bohne
	<b>Fiscal Stimulus and Consumption Spending</b> <i>Gregor Pfeifer, Davud Rostam-Afschar and Lukas Treber</i> Discussant: Daniel Stöhlker	<b>Overcoming Wealth Inequality by Capital Tax-financed Public Investment</b> <i>Linus Mattauch, David Klenert, Joseph Stiglitz and Ottmar Edenhofer</i> Discussant: Matthias Krapf
	<b>Tax Cuts Starve the Beast! Evidence from Germany</b> <i>Daniel Stöhlker, Florian Neumeier and Clemens Fuest</i> Discussant: Wouter van der Wielen	<b>The Joint Distribution of Wealth and Income Risk: Evidence from Bern</b> <i>Matthias Krapf</i> Discussant: Eren Gurer
	<b>Dynamic Scoring of Tax Reforms in Real Time</b> <i>Salvador Barrios, Adriana Reut, Sara Riscado and Wouter van der Wielen</i> Discussant: Lukas Treber	<b>Pro-rich Inflation in Europe and Implications for the Measurement of Inequality</b> <i>Eren Gurer and Alfons J. Weichenrieder</i> Discussant: Linus Mattauch
	Heinz-König-Hall <b>Session E3: CCCTB</b> Chair: Elisa Casi	
<b>The Relevance of Depreciation Allowances as a Fiscal Policy Instrument: A Hybrid Approach to CCCTB?</b> <i>Kunka Petkova and Alfons Weichenrieder</i> Discussant: Steeve Mongrain	<b>The Price May Actually Be Right; Potential Benefits of Profit Shifting</b> <i>Steeve Mongrain, David Oh and Tanguy van Ypersele</i> Discussant: Alfons Weichenrieder	
15:35 – 15:45	<b>Closing Remarks (Heinz-König-Hall)</b>	