

UNIVERSITY OF CALIFORNIA, IRVINE
DEPARTMENT OF ECONOMICS

DAVID R. AGRAWAL
TuTh 11:00-12:20p

ECON 141B
PUBLIC ECONOMICS

Winter 2025
SST 220A

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Office Hours: Monday 2:30-3:30 or by appointment, 3107 SSPA

Course Webpage: <https://canvas.eee.uci.edu/>

Personal Webpage: <https://sites.socsci.uci.edu/~dagrawa4/>

Nature of Syllabus: The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Prerequisites: (ECON 100A and ECON 100B) or (ECON 105A and ECON 105B)

Course Objectives and Learning Outcomes: The objectives of this class are to acquire a working knowledge of federal, state, and local tax and expenditure systems. The course will provide you with an in-depth understanding of the economic principles – institutional, theoretical, and empirical – of taxation and spending, and will help you to apply the knowledge and principles to current policy issues. The emphasis in this class will be on how open economy forces shape the behavioral responses to government policies and to how governments do/should set policy.

Textbooks and Readings: Required readings will consist of articles posted to the Canvas website. The optional textbook for the course is *State and Local Public Finance* (fifth edition, Routledge, 2023) by Ronald Fisher. This textbook is \$35.59 as a paperback on Amazon or downloadable for free as a pdf from the UCI library website as a resource. Other useful texts that can serve as useful resources for the class are *Taxes in America: What Everyone Needs to Know* (second edition, Oxford Press, 2020) by Leonard Burman and Joel Slemrod and *Public Finance and Public Policy* (7th edition, Worth Publishers, 2022) by Jonathan Gruber.

Online Materials: We will use the canvas system (<https://canvas.eee.uci.edu/>) for this semester. It is important you check this website regularly as I will post assignments to canvas and will use the announcements tool to send you important information. You are responsible for maintaining and checking your University email account and the canvas announcements on a daily basis. Please use your university email account for your academic correspondence to me so that it does not go to my spam folder.

My lecture notes are available online. You may wish to print my lecture slides and bring them to class on the day we are discussing that lecture or have them downloaded to an electronic device.

All academic readings will be made available online through canvas. My lecture notes are also posted to canvas.

Copyright: All course content created by the course instructor including but not limited to this document, lecture slides, homework assignments, exams, and answer keys are copyrighted by the course instructor. Unauthorized distribution or sale of copyrighted course materials to any other person or website, violates the UCI student code of conduct. Students found to be in violation will be reported to the university administration.

Grades: Grades for the class will be assigned based on the following information.

Requirement	% of Final Grade
Problem Sets	0%
Paper	27%
Poll Everywhere	10%
Midterm Exam	28%
Final Exam	35%

Problem Sets: Problem sets will be listed on canvas. Homework will not be graded, but doing the homework will improve your score on exams.

Exams: A midterm exam will be given on 2/6. A cumulative final exam will be given in the university assigned time slot on 3/18 from 10:30-12:30. A student who misses a test without making prior arrangements will receive a grade of zero on that exam. Exam absences will only be excused in the case of a documented severe illness or a documented family emergency and only if you contact me *prior to the exam*. I reserve the right to reweight portions of the class for excused exams.

Papers: You will be required to write a (roughly) 5 page research paper in which you analyze a current public finance issue. More detailed information about this assignment will be provided before the first midterm examination. No late papers will be accepted. If you are worried about missing the due date, you can always turn the paper in early. I am happy to discuss your paper with you during the semester. In order to encourage you to begin work on your paper early, I will only discuss paper in person or via email more than one week prior to the due date.

Poll Everywhere: The course will use Poll Everywhere, a replacement for the iClicker. Questions will be asked regularly during lecture regarding material that occurred during lecture. I will drop two days worth of your lowest Poll Everywhere scores, so you do not

need to notify me of absences. These drops count as your excused absences. You must have Poll Everywhere setup by the second week of class. I will not begin recording scores until that week.

There are two things you need to do to make sure you will be able to participate successfully. First, make sure your default email address in Canvas matches your email address as it is listed in the campus directory (<https://directory.uci.edu/>). This is required in order for Poll Everywhere to correctly report any grades or participation scores in the Canvas gradebook. Instructions for finding and updating your default email in Canvas are available here: <https://community.canvaslms.com/t5/Student-Guide/How-do-I-change-my-default-email-address-in-my-user-account-as-a/ta-p/410>

Second, take a moment to sign in to Poll Everywhere with your UCInetID: Open pollev.com Select Login on the left side of the page Enter your @uci.edu email address and press Next Login with your UCInetID and password.

While you can respond using a browser on your mobile device, if you wish to respond via text, please ensure you certify your mobile phone number by following these instructions: <https://support.pollev everywhere.com/hc/en-us/articles/1260801551589-Certify-your-phone-number>

Letter of Introduction: For the third lecture, please write a one-page letter of introduction of yourself to the instructor. Include your name and anything about yourself that you would like to share. If you have an extra actual or digital photo of yourself, attaching it to your letter will help the instructor learn your name. Your letter of introduction should be typed and submitted via canvas. If you have concerns about this class, you can share them here.

Accommodations: If you require special accommodation, then you must submit documentation from the Disability Service Center (DSC) to me within the first two weeks of the quarter and you must inform me in writing at least one week in advance of each instance for which an accommodation will be required.

Academic Honesty: I take academic integrity seriously and you should too. The minimum academic penalty for cheating on a homework assignment or exam is a zero grade for the assignment or exam in question and the maximum academic penalty will be a failing grade for the course. Additional administrative penalties may be imposed by the university. I will report suspected academic misconduct to the Office of Academic Integrity & Student Conduct. Review the university's policies at: <https://conduct.uci.edu/>. Questions about proper procedures are always appropriate – and welcome – before work is submitted. Questions on appropriate attribution and plagiarism are especially welcome.

Artificial Intelligence: In this class, you should complete your work without using AI-generated sources to augment, think through, or write your assignments. There is one exception: you are welcome to use AI tools for editing (spell-check and grammar-check)

as long as you do not use them for thinking or drafting. If using AI for editing, a footnote on the front page should include a note stating the AI tool you used on prompt(s) you gave it. If you submit work that appears to have been written using AI sources, I will ask you to meet with me to discuss your thinking and writing process. If, after our conversation, I conclude it's more likely than not that you did not personally complete an assignment you submitted under your name, I will report a violation of the campus Academic Integrity Policy to the campus Office of Academic Integrity & Student Conduct and award a score of zero on the assignment.

Electronics: Cell phone usage during class is discouraged except during Poll Everywhere activities. You are welcome to use iPads, computers, or tablets to take notes, but please don't use them for personal purposes during class—it can distract others.

Schedule: The following list indicates when we will cover various topics. As this is my first time teaching this class, it's highly likely we will deviate from this schedule or that I will not cover certain topics. The required readings will be provided as we progress.

Day	Module	Readings	What is due?
01/07	Government Intervention? / Review of Microeconomics	F2	
01/09	Tax Incidence / DWL	F11	
01/14	Why Local Governments: Federalism Introduction	F1	
01/16	Public Goods & Efficient Local Services	F3	
01/21	Voting and Preferences for Services	F4	
01/23	Choice with Mobility	F5	
01/28	The Assignment Problem & Size of Nations	notes	
01/30	Information Asymmetries, Moral Hazard and Bailouts	notes	
02/04	Bonds	F10	
02/06	EXAM		Midterm Exam
02/11	The Property Tax	F12	
02/13	Local Sales Taxes; e-Commerce	F13	
02/18	Local Income Taxes; Telework	F14	
02/20	User Fees	F8	
02/25	Horizontal Tax Competition	Agrawal, Hoyt & Wilson (2023)	
02/27	Bidding for Firms and Economic Development	Slattery and Zidar (2020)	
03/04	Vertical Tax Competition	Keen (1998)	
03/06	Intergovernmental Grants & School Aid	F9	
03/11	Inequities Across Space and Place	notes	Paper Due
03/13	The Future of Decentralization	Agrawal, Brueckner & Brulhart (2024)	
03/18	EXAM 10:30-12:30pm		Final Exam