For this writing assignment, I’d like you to provide a thorough discussion of a component of the individual tax code (or excise taxes). Examples might include the Earned Income Tax Credit, the mortgage interest deduction, or the Child Tax Credit. You may also choose temporary policies, such as the First-time Homebuyer Credit. For your chosen topic, please answer the following:

1. What is the historical context of the policy (e.g., was there a specific trigger for the policy such as a recession or shift in political power)?

2. Who bears the economic incidence of the policy?

3. What are the economic distortions caused by the policy (i.e., where would the deadweight loss come from and how might it be calculated)?

4. What are the economic arguments in favor of the policy?

5. What are the economic arguments against the policy?

6. What groups of people were generally in support of the policy (e.g., political parties, interest groups, policy experts/academics)?

Please approve a topic with me by February 20th. I’ll only allow one person to work on each topic, so clearing a topic with me earlier will help ensure that it is not taken. Tax expenditures are certainly an interesting area (but not the only area) from which to find a topic:

- A more comprehensive list of tax expenditures: https://www.jct.gov/publications.html?func=select&id=5

The length of your paper is up to you. I would like you to answer all the questions above and I’m guessing that will take at least 5-10 pages of writing. I would like you to provide evidence for your claims by either presenting your own analysis of the data or citing academic articles or government reports. Remember to apply some of the tools to analyze economic incidence and efficiency that we discussed in class. Generally, the goal of the assignment is to apply what we have learned to a specific issue in individual tax policy.

Presentations of your topic will take place on February 27th. Each student will give a 10-12 minute presentation describing their topic (What piece of the tax code? When/where did this idea originate?) and outlining how they might go about answering the questions above.