



Departamento de
Teoría e Historia
Económica

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Título: "Preferences for Redistribution, Regional Identities, and Decentralized Taxation"

Sala: E28

Hora: 12:30

Abstract: This paper analyzes the impact of decentralization of progressive tax tools on citizens preferences for redistribution with the help of a large-scale survey experiment implemented in Spain. An information treatment explains respondents the normative power which regions can exercise in personal income taxation. Respondents have little knowledge about this feature at baseline. Treatment effects indicate that knowing about the regional impact makes participants more adverse to inequality, but also less favorable towards higher taxes on the rich. Results support the view of redistribution as a local public good. The inequality result is driven by participants with strong regional identities, while the rejection of higher taxes on the rich is driven by participants which identify more with the nation than the region. A second treatment on the perceived tax burden documents a substantial bias in average and marginal tax rates, but has limited first stage effects and no impact on outcomes.

