

# *Income Tax*

Wallace and Edwards, 1999. "Personal Income Tax," Chapter 8 in Hildreth and Richardson (eds), *Handbook on Taxation*.

Charles W. Christian, Sanjay Gupta, and James C. Young, "Evidence of Subsequent Filing from the State of Michigan's Income Tax Amnesty", *55 National Tax Journal* 703-21 (September 2002)

*Based on individual taxpayer-level data from Michigan, this study provides first-time empirical evidence on the subsequent filing compliance of state income tax amnesty participants. We find that about two-thirds of new filers and nine-tenths of previous filers who filed amended returns under amnesty, subsequently filed income tax returns. These results hold after controlling for observable differences between new and amending filers. Although in aggregate an estimated 5,500 taxpayers were added to Michigan's tax rolls, the additional revenue raised from these taxpayers appears marginal, at about 0.1 percent of the state's personal income tax revenues.*

Nicholas Johnson, "State Low-Income Tax Relief: Recent Trends", *53 National Tax Journal* 403-16 (September 2000)

*Although efforts to relieve state tax burdens on poor families are not new, the nature of such tax relief changed in the 1990s. In previous decades, tax relief focused on sales or property taxes. More recently, states have enacted refundable income tax credits, particularly work-related provisions such as Earned Income Tax Credits and child care credits. Such credits reduce poor families' overall tax burdens, lift incomes above the poverty line, and create positive work incentives that complement states' welfare reform efforts. New federal rules allowing such credits to be partially funded with federal dollars are likely to extend these trends.*

Randall Holcombe and Donald Lacombe, 2004, "The Effect of State Income Taxation on Per Capita Income Growth", *Public Finance Review*, 32(3): 292-312.

*This study examines the impact of changes in marginal state income tax rates on per capita income by comparing income growth in counties on state borders with income growth in adjacent counties across the state border. Compared to a standard cross-sectional analysis, this border-matching technique is a better way to hold constant many factors that can vary for geographical reasons, such as climate, culture, and proximity to markets. The results show that over the 30-year period from 1960 to 1990, states that raised their income tax rates more than their neighbors had slower income growth and, on average, a 3.4% reduction in per capita income.*

Sally Wallace and Barbara Edwards, *The Georgia Income Tax: Suggestions and Analysis for Reform*, Fiscal Research Program, School of Policy Studies, Georgia State University, October 1997.