# Article information:

On the optimality of age-dependent taxes and the progressive U.S. tax system - ScienceDirect  
<https://www.sciencedirect.com/science/article/pii/S0165188912000036>

# Article summary:

1. This paper examines the optimality of age-dependent taxes and the progressive U.S. tax system, arguing that progressive taxation may have a role purely on efficiency grounds without relying on any re-distribution arguments.

2. The paper evaluates the cost of introducing a wedge between marginal and average tax rates by computing equilibria of a life-cycle model under different specifications of progressive tax systems.

3. It is found that a progressive tax on labor income together with a fairly high (40%) proportional tax on capital income strikes the right balance between the shape and level of consumption and leisure profiles, making individuals prefer this tax system to one with flat proportional taxes.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article “On the optimality of age-dependent taxes and the progressive U.S. tax system” provides an analysis of how progressive taxation can be used to imitate optimal age-based taxes without explicitly conditioning tax rates on individuals' age in countries such as the United States where this is not possible. The article is well written and provides an in-depth analysis of how progressive taxation can be used to achieve optimal outcomes for individuals in terms of their consumption and leisure profiles over their lifetime, while also providing an evaluation of the cost associated with introducing a wedge between marginal and average tax rates when using progressive taxation instead of age-dependent proportional taxes.

The article is based on sound economic theory, making use of life-cycle models to analyze how different types of taxation affect individual behavior over time, as well as providing an analysis of how these effects compare to those generated by flat proportional taxes which do not vary with age or earnings level. The article also makes use of empirical data from Hansen (1993) to provide evidence for its claims regarding labor productivity levels over time, adding credibility to its conclusions about optimal taxation strategies for individuals over their lifetime.

The article does not appear to suffer from any major biases or partiality, presenting both sides equally in its discussion about optimal taxation strategies for individuals over their lifetime while also providing evidence for its claims from empirical data sources such as Hansen (1993). Furthermore, it does not appear to contain any promotional content or unsupported claims, instead relying solely on sound economic theory and empirical evidence to support its conclusions about optimal taxation strategies for individuals over their lifetime.

In conclusion, this article appears to be trustworthy and reliable in terms of its analysis regarding optimal taxation strategies for individuals over their lifetime while also being free from any major biases or

# Topics for further research:

* Optimal taxation strategies
* Age-dependent taxes
* Progressive taxation
* Life-cycle models
* Marginal and average tax rates
* Labor productivity levels

# Report location:

<https://www.fullpicture.app/item/32c72c6466d74d521b1ad162c5e09589>