Semester V

MJC 9

PUBLIC Finance

Unit 2

Sources of Revenue

Topic Incidence of Taxation

Any standard book on Public Finance or Indian Economy holds chapters related to Incidence of Taxation.

Any student can cope with it on his own provided that he reads the right text in the form of books/articles and the contents provided in the link below.

Knowledge of elasticity of demand and supply would be required to navigate through this chapter along with common sense appreciation .

The incidence of taxation refers to the analysis of the final, ultimate burden of a tax and how that burden is distributed among different economic agents (such as consumers, producers, workers, or shareholders). It answers the question of who actually pays the tax in the long run, as opposed to who is legally required to remit the tax to the government.

Below are given two links to follow for basic appreciation of this topic

https://scholar.harvard.edu/files/stantcheva/files/lecture3.pdf

and

https://www.investopedia.com/terms/t/tax_incidence.asp

And

https://www.economicsdiscussion.net/taxes/incidence-of-taxation-meaning-impact-and-other-details/1942

And

https://www.scribd.com/document/265512287/Incidence-of-Taxation

(Knowledge of different types of taxes is also given & discussed)

And

https://www.scribd.com/document/622426217/Impact-Incidence-Shifting

After having gone through the content you should be able to answer the following questions

1. Explain the concept of incidence of taxation? On what factors does incidence of a tax depend?
2. Illustrate the meaning of impact, shifting and incidence of a tax? What relevance does the concept of elasticity of demand and supply hold to the burden of tax borne by different agent?