



The Impact of Inequality on Property Taxation in Norway

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The paper

What is the relationship between economic inequality and the property tax paid for a standard house?

- Collect data on fiscal, political, demographic and inequality characteristics of Norwegian municipalities
- Estimate fixed effect model to study role of inequality in determining property taxes paid
- No relationship with income inequality but positive association with wealth inequality



Ideas for further exploration/clarification

- **1. Separate variation in property taxed paid into price effects vs changes in tax rates**
- Is the finding confounded by relationship between inequality and price or policy changes?
- What are their elasticities?



Ideas for further exploration/clarification

- **2. Derive testable implications based on a theoretical relationship between inequality and property taxes**
- What are the common and idiosyncratic drivers of changes in property taxes and inequality?
Labor market shocks? Mobility? Asset price changes?
- What happens to municipal spending as property tax collections increase?
Unaffected? More redistributive spending?



Great paper!

- ▶ Careful description of the data and estimation
 - ▶ New and interesting results on a typical public econ question
 - ▶ Looking forward to extensions and more explorations!
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