

eJournal of Tax Research

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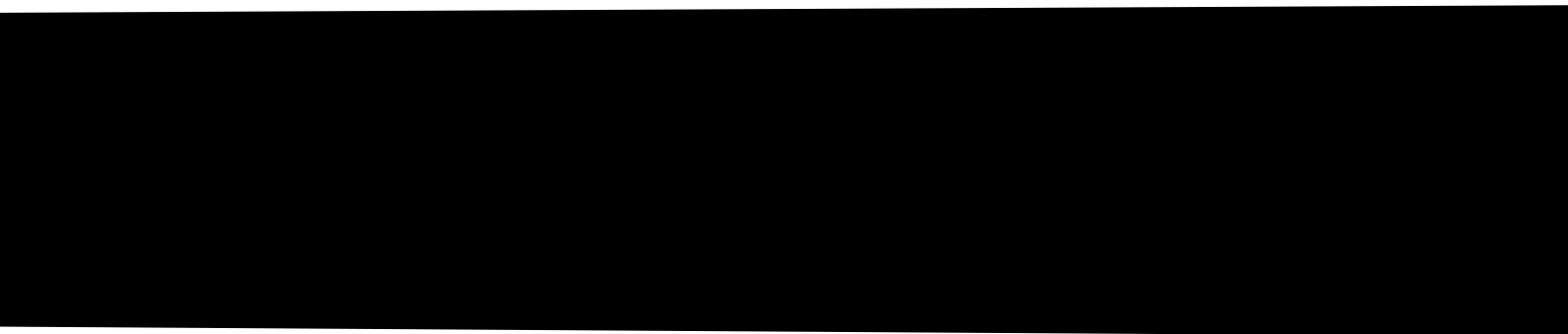
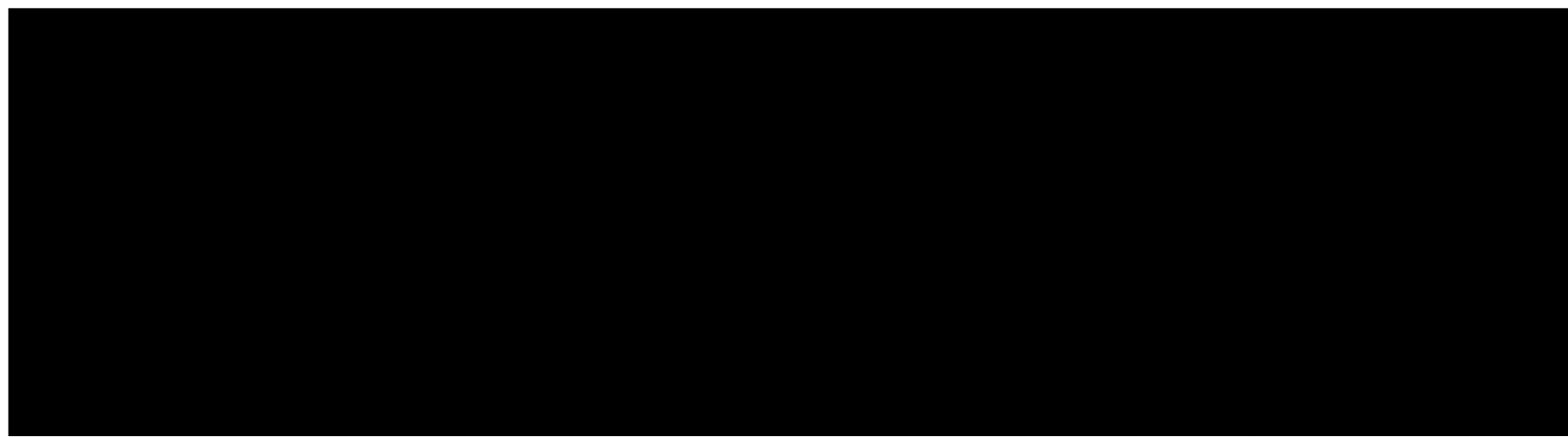
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Abstract

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Table 3: Summary statistics, background characteristics

| Variable | Description | Mean | Standard deviation | Percentage 0 | Percentage 1 | Obs. |
|----------------------------|--|-------|--------------------|--------------|--------------|-------|
| Women | =1 if woman | 0.478 | 0.500 | 52.2 | 47.8 | 1,554 |
| Old (6585) | =1 if 6585 years old | 0.214 | 0.410 | 78.6 | 21.4 | 1,554 |
| Children | =1 if child 06 in household | 0.138 | 0.345 | 86.2 | 13.8 | 1,554 |
| Low income | =1 if household yearly income is less than 11k euro (single adult) or 22k euro (two or more) | 0.310 | 0.463 | 69.0 | 31.0 | 1,475 |
| High income | =1 if household yearly income exceeds 43k euro (single adult) or 65k euro (two or more) | 0.193 | 0.395 | 80.7 | 19.3 | 1,475 |
| Low education | =1 if no high school degree | 0.362 | 0.481 | 63.8 | 36.2 | 1,554 |
| High education | =1 if studies at university or for a university degree | 0.293 | 0.455 | 70.7 | 29.3 | 1,536 |
| Municipal employee | =1 if working in municipal sector | 0.280 | 0.449 | 72.0 | 28.0 | 1,357 |
| Newspaper | =1 if read morning newspaper 6-7 days/week | 0.631 | 0.483 | 36.9 | 63.1 | 1,543 |
| Left | =1 if 1 or 2 on a political scale 1-5 | 0.340 | 0.474 | 66.0 | 34.0 | 1,495 |
| Right | =1 if 4 or 5 on a political scale 1-5 | 0.344 | 0.475 | 65.6 | 34.4 | 1,495 |
| Good services | =1 if services in municipality fairly good or very good, last 12 months | 0.463 | 0.500 | 53.7 | 46.3 | 1,404 |
| Low knowledge Low trust | =1 if 1-3 on a scale-10 | 0.186 | 0.389 | 81.4 | 18.6 | 1,519 |

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)ROORZLQJ WKH GLVFXVVRU LQ 6HFWLRQ RUGHU
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PRGHV LQFOXGLQJ SURJUHVVLYHO\ PRUH H[SODQD
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6SHFLILFDWLRQ IRF ~~SVPRJUDSKILFZYDRE~~ OHV FKR
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LQVLJQLILFDQW HIIHFV /RZ LQFRPH KDV D VW DWL
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DUH PXQLFLSDO HPSOR\HHV 5HJXODU QHZVSDSHU
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VWDWLWVLFDOO\ VLJQLILFDQW

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DERXW VRFLHW\ SHUFHSWLRQV DERXW SXEOLF VHUY
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LV LPSRUWDQW \$V LQ WKH RWKHU VSHFLILFDWLRQV
FKLOGUHQ KDYH QR VWDWLWVWLFDOO\ VLJQLILFDQW HI

Table 6: Marginal effects based on ordered probit estimations of attitudes toward municipal income tax

| | Abolish/ decrease a lot | Decrease some | Keep unchanged | Increase some |
|--------------------|----------------------------|------------------|-------------------|------------------|
| Tax rate | 0.006 | 0.012 | -0.013 | -0.005 |
| Tax base | 0.001 | 0.002 | -0.002 | -0.001 |
| Grants | 0.002 | 0.005 | -0.005 | -0.002 |
| Women | 0.004 | 0.009 | -0.010 | -0.003 |
| Old (6585) | -0.014 | -0.032 | 0.033 | 0.013 |
| Children | -0.001 | 0.001 | -0.001 | -0.000 |
| Low income | 0.022* | 0.040** | -0.046* | -0.015** |
| High income | 0.017 | 0.032 | -0.036 | -0.012 |
| Low education | 0.015 | 0.029 | -0.033 | -0.011 |
| Higher education | 0.026*** | 0.058** | 0.060** | 0.022** |
| Municipal employee | 0.003 | -0.007 | 0.007 | 0.003 |
| Newspaper | -0.032*** | -0.060*** | 0.069*** | 0.022*** |
| Left | -0.038*** | -0.085*** | 0.088*** | 0.034*** |
| Right | 0.038*** | 0.070*** | -0.081*** | -0.027*** |
| Good services | -0.018* | -0.037* | 0.040* | 0.014* |
| Low trust | 0.006 | 0.012 | -0.014 | -0.005 |
| Low knowledge | 0.038** | 0.062*** | -0.077*** | -0.023*** |

Marginal effects for continuous variables and first choice for dummies following Specification 3, Table 5. Increase a lot not presented due to few observations.

*** p < 0.01, ** p < 0.05, * p < 0.1.

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7KXV WKH WD[UDWK WKDW SHRSOH DFWXDOO\ IDFH L
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Table 7: Testing for Tiebout bias

Dependent variable: attitudes towards municipal income tax rate

| | Oprobit | IV 1 | IV 2 | IV 3 |
|---|-------------------|----------------------|----------------------|----------------------|
| Panel A: Second stage results | | | | |
| Tax rate | -0.046 (0.026) | 0.233** (0.105) | -0.217** (0.104) | -0.210** (0.069) |
| Panel B: First stage results for tax rate | | | | |
| Urban | | 0.052 (0.169) | 0.051 (0.169) | |
| Change '03 | | -0.419*** (0.137) | -0.422*** (0.138) | -0.405*** (0.141) |
| Change '04 | | 0.742*** (0.164) | 0.741*** (0.166) | 0.739*** (0.165) |
| Moved | | | 0.076 (0.107) | |
| Observations | 1,093 | 1,085 | 1,085 | 1,085 |
| Hausman pvalue | | 0.110 | 0.145 | 0.156 |
| Cragg-Don. Fvalue | | 62.45 | 46.40 | 92.12 |
| Sargan pvalue | | 0.359 | 0.145 | 0.495 |

Estimated with 2SLS. Only results for tax rate and instruments presented. Standard errors clustered at the municipal level in parentheses. The Hausman, Cragg-Donald and Sargan tests were conducted using a linear version of the procedure.

*** p < 0.01, ** p < 0.05, * p < 0.1.

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