This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: Tax Policy and the Economy, Volume 21

Volume Author/Editor: James M. Poterba, editor

Volume Publisher: MIT Press

Volume ISBN: 0-262-16246-6; 978-0-262-16246-3

Volume URL: http://www.nber.org/books/pote07-1

Conference Date: September 14, 2006

Publication Date: May 2007

Title: Front matter, table of contents, acknowledgments

Author: James M. Poterba

URL: http://www.nber.org/chapters/c11649

Tax Policy and the Economy 21



Tax Policy and the Economy 21

edited by James M. Poterba

National Bureau of Economic Research Cambridge, Massachusetts

The MIT Press Cambridge, Massachusetts London, England NBER/Tax Policy and the Economy, Volume 21, 2007

ISSN: 0892-8649

ISBN-13: 978-0-262-16246-3 (hc.:alk.paper)—978-0-262-66202-4 (pbk.:alk.paper)

ISBN-10: 0-262-16246-6 (hc.:alk.paper)—0-262-66202-7 (pbk.:alk.paper)

Published annually by The MIT Press, Cambridge, Massachusetts 02142.

© 2007 by the National Bureau of Economic Research and the Massachusetts Institute of Technology.

All rights reserved. No part of this book may be reproduced in any form by any electronic or mechanical means (including photocopying, recording, or information storage and retrieval) without permission in writing from the publisher.

Standing orders/subscriptions are available. Inquiries, and changes to subscriptions and addresses should be addressed to Triliteral, Attention: Standing Orders, 100 Maple Ridge Drive, Cumberland, RI 02864, phone 1-800-366-6687 ext. 112 (U.S. and Canada), fax 1-800-406-9145 (U.S. and Canada).

In the United Kingdom, continental Europe, and the Middle East and Africa, send single copy and back volume orders to: The MIT Press, Ltd., Fitzroy House, 11 Chenies Street, London WC1E 7ET England, phone 44-020-7306-0603, fax 44-020-7306-0604, email info@hup-MITpress.co.uk, website_http://mitpress.mit.edu.

In the United States and for all other countries, send single copy and back volume orders to: The MIT Press c/o Triliteral, 100 Maple Ridge Drive, Cumberland, RI 02864, phone 1-800-405-1619 (U.S. and Canada) or 401-658-4226, fax 1-800-406-9145 (U.S. and Canada) or 401-531-2801, email mitpress-orders@mit.edu, website http://mitpress.mit.edu.

MIT Press books may be purchased at special quantity discounts for business or sales promotional use. For information, please email special_sales@mitpress.mit.edu.

This book was set in Palatino on 3B2 by Sztrecska Publishing, United States. Printed and bound in the United States of America.

10 9 8 7 6 5 4 3 2 1

NBER Board of Directors

Officers

Elizabeth E. Bailey, Chairman John S. Clarkeson, Vice Chairman Martin Feldstein, President and Chief Executive Officer
Susan Colligan, Vice President for Administration and Budget and Corporate Secretary
Robert Mednick, Treasurer
Kelly Horak, Controller and Assistant Corporate Secretary
Gerardine Johnson, Assistant
Corporate Secretary

Directors at Large

Peter C. Aldrich
Elizabeth E. Bailey
John H. Biggs
John S. Clarkeson
Don R. Conlan
Kathleen B. Cooper
Charles H. Dallara
George C. Eads
Jessica P. Einhorn
Martin Feldstein
Roger W. Ferguson, Jr.
Jacob A. Frenkel
Judith M. Gueron
Robert S. Hamada
Karen N. Horn

Judy C. Lewent
John Lipsky
Laurence H. Meyer
Michael H. Moskow
Alicia H. Munnell
Rudolph A. Oswald
Robert T. Parry
Marina v. N. Whitman
Martin B. Zimmerman

Directors by University Appointment

George Akerlof, California, Berkeley Jagdish Bhagwati, Columbia Ray C. Fair, Yale Michael J. Brennan, California, Los Angeles Glen G. Cain, Wisconsin Franklin Fisher, Massachusetts Institute of Technology Saul H. Hymans, Michigan Marjorie B. McElroy, Duke Joel Mokyr, Northwestern Andrew Postlewaite, Pennsylvania Uwe E. Reinhardt, Princeton Nathan Rosenberg, Stanford Craig Swan, Minnesota David B. Yoffie, Harvard Arnold Zellner (Director Emeritus), Chicago

Directors by Appointment of Other Organizations

Richard B. Berner, National Association for Business Economics Gail D. Fosler, The Conference Board Martin Gruber, American Finance Association Arthur B. Kennickell, American Statistical Association Thea Lee, American Federation of Labor and Congress of Industrial Organizations William W. Lewis, Committee for Economic Development Robert Mednick, American Institute of Certified Public Accountants Angelo Melino, Canadian Economics Association

Jeffrey M. Perloff, American Agricultural Economics Association John J. Siegfried, American Economic Association Gavin Wright, Economic History Association

Directors Emeriti

Andrew Brimmer
Carl F. Christ
George Hatsopoulos
Lawrence R. Klein
Franklin A. Lindsay
Paul W. McCracken
Peter G. Peterson
Richard N. Rosett
Eli Shapiro
Arnold Zellner

Relation of the Directors to the Work and Publications of the NBER

- 1. The object of the NBER is to ascertain and present to the economics profession, and to the public more generally, important economic facts and their interpretation in a scientific manner without policy recommendations. The Board of Directors is charged with the responsibility of ensuring that the work of the NBER is carried on in strict conformity with this object.
- 2. The President shall establish an internal review process to ensure that book manuscripts proposed for publication DO NOT contain policy recommendations. This shall apply both to the proceedings of conferences and to manuscripts by a single author or by one or more co-authors but shall not apply to authors of comments at NBER conferences who are not NBER affiliates.
- 3. No book manuscript reporting research shall be published by the NBER until the President has sent to each member of the Board a notice that a manuscript is recommended for publication and that in the President's opinion it is suitable for publication in accordance with the above principles of the NBER. Such notification will include a table of contents and an abstract or summary of the manuscript's content, a list of contributors if applicable, and a response form for use by Directors who desire a copy of the manuscript for review. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied and the main conclusions reached.
- 4. No volume shall be published until forty-five days have elapsed from the above notification of intention to publish it. During this period a copy shall be sent to any Director requesting it, and if any Director objects to publication on the grounds that the manuscript contains policy recommendations, the objection will be presented to the author(s) or editor(s). In case of dispute, all members of the Board shall be notified, and the President shall appoint an ad hoc committee of the Board to decide the matter; thirty days additional shall be granted for this purpose.
- 5. The President shall present annually to the Board a report describing the internal manuscript review process, any objections made by Directors before publication or by anyone after publication, any disputes about such matters, and how they were handled.
- 6. Publications of the NBER issued for informational purposes concerning the work of the Bureau, or issued to inform the public of the activities at the Bureau, including but not limited to the NBER Digest and Reporter, shall be consistent with the object stated in paragraph 1. They shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The Executive Committee of the Board is charged with the review of all such publications from time to time.

- 7. NBER working papers and manuscripts distributed on the Bureau's web site are not deemed to be publications for the purpose of this resolution, but they shall be consistent with the object stated in paragraph 1. Working papers shall contain a specific disclaimer noting that they have not passed through the review procedures required in this resolution. The NBER's web site shall contain a similar disclaimer. The President shall establish an internal review process to ensure that the working papers and the web site do not contain policy recommendations, and shall report annually to the Board on this process and any concerns raised in connection with it.
- 8. Unless otherwise determined by the Board or exempted by the terms of paragraphs 6 and 7, a copy of this resolution shall be printed in each NBER publication as described in paragraph 2 above.

Contents

Acknowledgments xi Introduction xiii James M. Poterba

- Medicaid Crowd-Out of Private Long-Term Care Insurance
 Demand: Evidence from the Health and Retirement Survey
 Jeffrey R. Brown, Norma B. Coe, and Amy Finkelstein
- 2 Unemployment Insurance Savings Accounts 35Martin Feldstein and Daniel Altman
- 3 Evaluating Effects of Tax Preferences on Health Care Spending and Federal Revenues
 65
 John F. Cogan, R. Glenn Hubbard, and Daniel P. Kessler
- 4 Does It Pay, at the Margin, to Work and Save? Measuring Effective Marginal Taxes on Americans' Labor Supply and Saving 83

Laurence J. Kotlikoff and David Rapson

5 Federal Tax Policy towards Energy 145Gilbert E. Metcalf



Acknowledgments

In planning and organizing this year's *Tax Policy and the Economy* meeting, I have incurred debts to many individuals. NBER President Martin Feldstein has been an active supporter of this conference throughout its history. NBER Conference Department Director Carl Beck, Lita Kimble, and especially Rob Shannon have overseen all the logistical details with extraordinary efficiency and with their perennial good spirits. Helena Fitz-Patrick has directed the publication process with outstanding attention to detail and with exceptional speed and efficiency.

I am grateful to Dr. Edward Lazear, the Chairman of the Council of Economic Advisers, for delivering a fascinating set of luncheon remarks at this year's conference. His remarks focused on recent trends in productivity growth, the link between productivity growth and tax revenue, and the broader economic factors that influence the pace of productivity improvement. His remarks provided a broad context for examining many of the specific issues that researchers in public finance study, and underscored the importance of putting in place well-designed economic policies that promote long-term economic growth. I hope that research studies such as the ones included in this volume contribute to that goal.

Finally, I wish to thank the authors of this year's conference papers. They have worked hard to communicate their important research findings in a readable and clear fashion. I appreciate their efforts and their enthusiasm for participating in this interchange between the research and policy communities.

