

DOCUMENTS DE TREBALL
DE LA DIVISIÓ DE CIÈNCIES JURÍDIQUES
ECONÒMIQUES I SOCIALS

Col·lecció d'Economia

**IS THERE A CONNECTION BETWEEN
THE TAX ADMINISTRATION AND THE POLITICAL POWER?***

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* The author thanks Antonio Álvarez, Rafael Álvarez, Víctor M. Giménez, Quique López, Francisco Pedraja, Alexandre Pedrós, Jaume Puig, José Raga, Javier Salinas, Albert Solé, the participants in the AQR seminar in Barcelona (Spain) and in the 2003 Annual Meeting of the European Public Choice Society in Aarhus (Denmark), and especially Antoni Castells for the helpful comments received: the usual disclaimer applies. Research support from SEC2000-0876 (M^o de Ciencia y Tecnología) and 2001SGR-30 (Generalitat de Catalunya) is gratefully acknowledged.

Abstract: This paper offers empirical evidence from Spain of a connection between the tax administration and the political power. Firstly, the regional tax administration is not immune to the budgetary situation of regional government, and tends to exert a greater (or lesser) effort in tax collection the greater (or lower) the (expected) public deficit. At the same time, the system of unconditional grants from the central layer of government provokes an “income effect” which disincentivises the efforts of the tax administration. Secondly, these efforts also decrease when the margin to lose a parliamentary seat in an electoral district is cut, although the importance of this disincentive decreases according to the parliamentary strength of the incumbent.

JEL Code: H21, H72, H77

Keywords: Tax Administration, Political Economy