

eJournal of Tax Research

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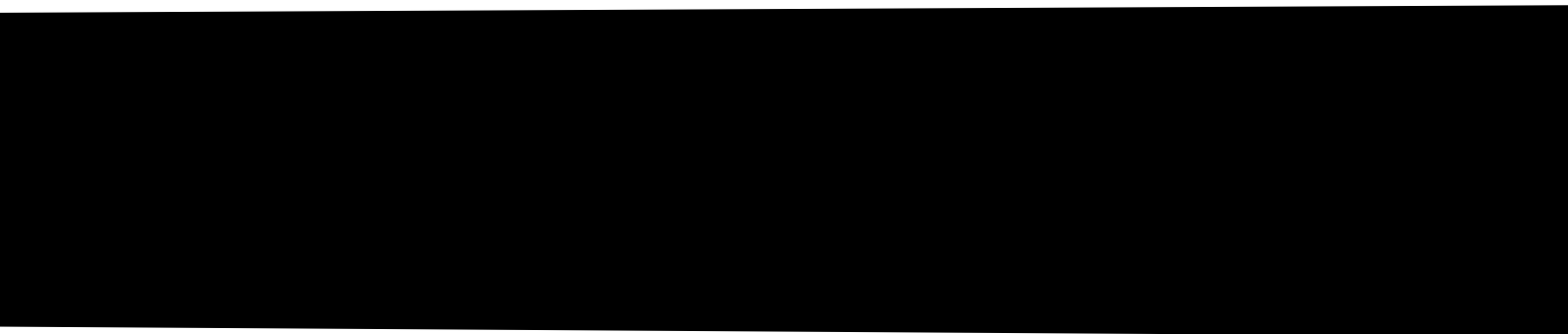
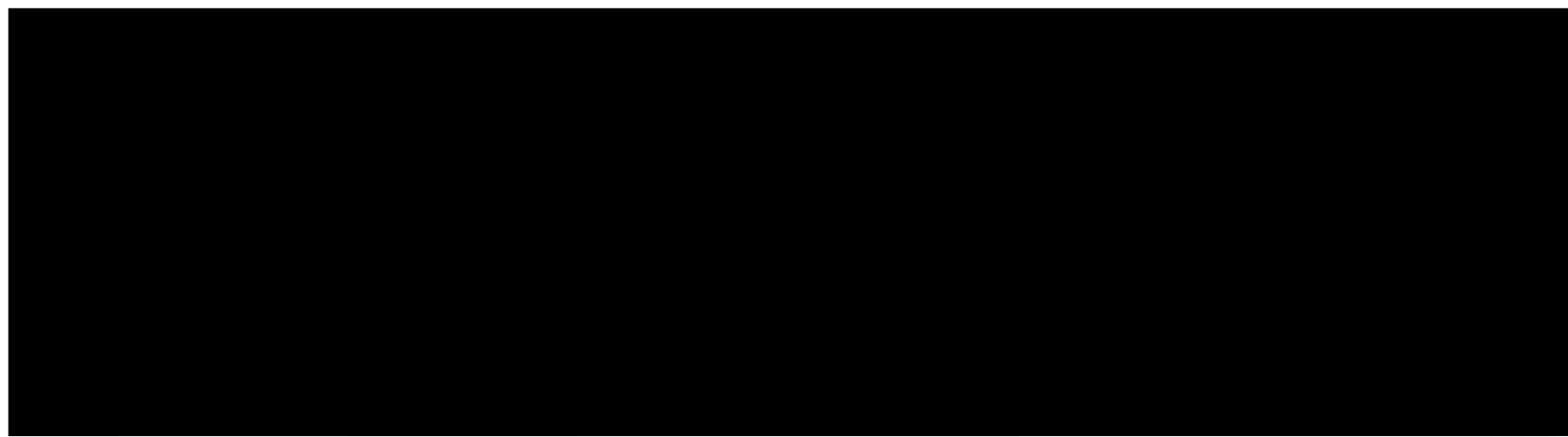
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Abstract

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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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PRGHV LQFOXGLQJ SURJUHVVLYHO\ PRUH H[SODQD
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ORZFRPH HDUQHUV SUIHU LQFUHDVHV LQ RWKHU V
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RYHUHVWLPDWH WKH WD[HV WKH\ SD\ *HQGHU EHLQJ
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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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GLUHFWO\ EXW RQO\ WKH PLVPDWFK DV ZH KDYH DVV

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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