

**Econ 452**  
**State and Local Finance (WI)**  
**Fall, 2007**

Instructor: James Mak  
Classroom:  
Time: TTh  
Office Hours: TTh and by appointment at Saunders 532  
Office Phone: 956-8280  
Email: [jmak@hawaii.edu](mailto:jmak@hawaii.edu) (I encourage you to communicate with me by email.)

Course Content:

This course examines fiscal institutions, operations, and policy questions within U.S. state and local governments. We shall also focus on the fiscal system in Hawaii as a special case study.

Texts:

Ronald Fisher, State and Local Public Finance, 3<sup>rd</sup> Edition (Thomson, Southwestern, 2007). Required

Other: (not required to be purchased)

Robert S. Chirinko and Daniel J. Wilson, State Investment Tax Incentives: What Are the Facts? Federal Reserve Bank of San Francisco, Working Paper Seires 2006-49, November 2006.

Joseph Cordes, Robert Ebel and Jane Gravelle, The Encyclopedia of Taxation and Tax Policy (Washington D.C.: Urban Institute Press, 2005).

David Brunori (ed.) The Future of State Taxation (Urban Institute Press, 1998).

State of Hawaii Tax Review Commission, Report of the 2005-07 Tax Review Commission (December, 2006).

Other readings will be assigned and distributed.

Useful Websites:

<http://www.state.hi.us/tax/tax.html> (Hawaii Department of Taxation)

<http://www.census.gov/govs/www/estimate.html> (U.S. Census Bureau source on State and Local government fiscal data for all 50 states and D.C.)

Course Requirements: Students are expected to attend all lectures and read all assigned readings. Attendance will be taken daily and will affect grades at the border-line (students who miss more than 3 classes during the semester will get no benefit of the doubt). A mid-term (essay), a final (essay), a term papers (about 12 pages long. We shall work on a group project but each person is expected to submit his/her own paper), plus weekly homework assignments comprise the major course requirements. No late assignments are accepted and all assignments are due in class on required dates (not, for instance, in my mailbox at 12 midnight). You can expect to do much more than the 16 pages of writing that WI courses require as a minimum.

Oral Presentation: We will begin each day with a student presentation and discussion of a newspaper or magazine article (on-line articles are o.k. too) related to some aspect of the State/local public finance system. Each student is expected to make at least one oral presentation during the semester lasting no more than 10 minutes. Oral presentations are typically assigned one week in advance, and will be counted as a homework assignment. Presentations are not to be read, although you may carry notes with you. The purpose of these presentations is to encourage students to participate in class. Classmates may ask questions at the conclusion of the presentation, but only on the facts contained in the article. The presentations are not intended to be research reports. Discussion follows the presentations.

More on the Term Paper: You are expected to write a term paper of about 12 pages in length. We will all work on a common topic to allow us time to discuss your writing in class, but each student will be expected to submit his/her share of the research to everyone else and to submit a separate paper. There will be no “free riders”. The writing will be broken down into pieces; each piece will count as a homework assignment. Each assignment will require that you revise your previous work (all the way back to the beginning) and then make new progress. You can expect to rewrite your paper 5 to 6 times before the final version is accepted.

Grading: Mid-term, final, and term paper each comprise 25% of the final grade. Homework, oral presentation, and pre-final versions of the term paper will comprise the remaining 25%. Attendance will be taken and will affect grades for students at the margin. I will use + and – grading.

Final Exam Date: To be determined. Check your travel arrangements to make sure that you can take the final on the scheduled date, as no early or late exams will be given.