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Application to the NBER Graduate Student Workshop on Business Income Taxation

Dear Organizers,

I am submitting my application to the workshop on business income taxation, which is a topic that I am very interested in. I will be presenting my joint work with Owen Zidar at the NBER Business Tax Conference the following day, and I think participating in this workshop would be a great opportunity for me to learn more about related themes that I haven't directly worked on in my research so far.

I have attached my CV as well as a short essay in which I elaborate on my reasons for applying to the workshop. My faculty recommender is Owen Zidar.

I look forward to hearing from you.

Best regards,
Ole Agersnap

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I am a PhD candidate in Economics at Princeton University. My research interests span a broad range of topics in applied and theoretical microeconomics - especially within public economics - including optimal taxation, wealth inequality and inheritance, migration effects, and incentive effects of welfare transfers.

EDUCATION

PhD Candidate in Economics *2017-*
Princeton University

- Current fourth-year candidate supervised by Henrik Kleven and Owen Zidar
- Classes taken:
  - ECO 501 Microeconomic Theory I
  - ECO 502 Microeconomic Theory II
  - ECO 503 Macroeconomic Theory I
  - ECO 504 Macroeconomic Theory II
  - ECO 505 Research Ethics in Economics
  - ECO 517 Econometric Theory I
  - ECO 518 Econometric Theory II
  - ECO 520 Economics and Politics
  - ECO 523 Public Finance I
  - ECO 524 Public Finance II
  - ECO 541 Industrial Organization and Public Policy I
  - ECO 542 Industrial Organization and Public Policy II
  - ECO 543 Industrial Organization and Public Policy III

MA Economics *2019*
Princeton University

MSc Econometrics and Mathematical Economics (2-year) *2014-2016*
London School of Economics, UK

- Graduated with Distinction

BSc Mathematics-Economics *2011-2014*
Aarhus University, Denmark

PUBLICATIONS

"The Welfare Magnet Hypothesis: Evidence from an Immigrant Welfare Scheme in Denmark", with Amalie Jensen and Henrik Kleven. **American Economic Review: Insights**, 2020

WORKING PAPERS/WORKS IN PROGRESS

"The Tax Elasticity of Capital Gains and Revenue-Maximizing Rates", with Owen Zidar. NBER Working Paper no. 27705.

"Wealth Effects on Labor Supply: Evidence from a Swedish Tax Reform", with Oscar Erixson

TEACHING EXPERIENCE

Princeton University *2019-2021*
Assistant in Instruction:

- ECO 981 Junior Independent Work (for Leah Boustan), Fall 2019-Spring 2020
- ECO 981 Junior Independent Work (for Silvia Weyerbrock), Fall 2020-Spring 2021
- ECO 341 Public Finance (for Henrik Kleven and Owen Zidar), Spring 2020

London School of Economics, UK *2015-2016*
Teaching Assistant, EC 102 Economics B

Aarhus University, Denmark *2013-2014*
Teaching Assistant, Microeconomics 2 and Investment & Finance

RESEARCH AND WORK EXPERIENCE

Research assistance for Prof. Stephen Morris, Princeton University *December 2018*
Research assistance for Prof. Jakub Kastl, Princeton University *Summer 2018*

Analyst, Goldman Sachs Asset Management, London *2016-2017*

- Research-heavy job, primarily focused on modeling global macroeconomic risks

PROFESSIONAL ACTIVITIES

Presentations at invited seminars and conferences (including scheduled):
2020: University of Verona Winter School on Inequality and Social Welfare Theory, IIPF Annual Congress, NBER Business Income Taxation Conference

Refereeing: Journal of Public Economics

Other Activities:
Board Member, DAEiNA (Danish Academic Economists in North America), 2018-2021

HONORS, FELLOWSHIPS AND PROFESSIONAL AFFILIATIONS

Visiting PhD Student, Uppsala Centre for Fiscal Studies	*2019*
Graduate Fellowship, Princeton University	*2017-2020*
The Leschly Family Scholarship, Princeton University	*2018*

OTHER

Languages: English, Danish, and German (fluent); Swedish (working proficiency); French (basic knowledge)
Citizenship: Danish

REFERENCES

Owen Zidar
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Princeton University
237 Julis Romo Rabinowitz Building
Princeton, NJ 08544
ozidar@princeton.edu

Henrik Kleven
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I am applying to the NBER Graduate Student Workshop on Business Income Taxation as it is a topic I find very interesting, it is related to projects I have already worked on, and also very relevant for my future research plans.

My research so far has broadly examined behavioral effects of taxes and transfers. In a paper with Amalie Jensen and Henrik Kleven, which will be published later this year, we study the causal effect of welfare benefits on migration in a Danish context. In a recent working paper with Owen Zidar, we estimate the impact of capital gains tax reforms on realizations behavior and estimate the revenue-maximizing tax rate. And in my third-year paper, which I coauthored with Oscar Erixson, we exploit an inheritance tax reform in Sweden to estimate the effect of unearned wealth shocks on labor supply.

In my future work, I would very much like to address questions related to business taxation. Some of these are a logical extension of my existing projects. In my existing work with Owen Zidar, we use a fairly reduced-form approach to directly estimate the link between capital gains tax rates and realizations. However, we do not directly address to what extent the long-run negative relationship between tax rates and realizations is due to avoidance behavior (such as holding on to assets until death, exploiting the step-up in basis), or due to a structural decline in investment when capital gains taxes are high. Clearly, the implications for optimal policy can be very different in each of these two scenarios, and this would be interesting to explore further in future work. Another interesting question along the same vein is whether the step-up in basis leads to inefficient capital allocation, as it encourages individuals to hold on to assets for a long period of time, particularly if they have already accrued a lot of gains. To my knowledge, this question has not yet been addressed in the literature.

I also plan to do further work on inheritance taxation using the Swedish register data that I have access to. This topic is also very closely linked to business, as many people who leave behind large estates are entrepreneurs, and in many cases the firm is taken over by the next generation of the family. Critics of inheritance and estate taxes often point out that they potentially tap family-owned businesses of the funds they need to survive and grow, but the extent to which this actually occurs and is a problem, is poorly understood. Many countries with inheritance or estate taxes allow for family-run businesses to pay the tax bill in installments over several years, but whether this makes any important difference to firms is also an open question, which I would like to explore further in the future.

Finally, there are several additional business taxation-related topics that I am interested in. Market power has been on the rise in the past few decades, especially in the US, and the labor share of income has declined. I am very interested in studying how these developments affect the incidence of the corporate tax and other business taxes, and whether this affects optimal policy. Finally, the fast-expanding literature on tax havens and multinational profit shifting also seems timely and important to me, and I would like to be able to contribute to it.

There are many open questions that I am interested in exploring, and I hope that being able to attend the NBER workshop would provide me with additional knowledge that can equip me better for this task. I hope you will consider me as a participant.