Summary: We explore the implications of four natural axioms in taxation: continuity (small changes in the data of a taxation problem should not lead to large changes in the tax allocation), equal treatment of equals (agents with the same pre-tax incomes pay equal taxes), consistency (the way in which a group allocates a tax burden is immune to secessions of taxpayers) and composition down (an increase in the tax burden is handled according to agents’ current post-tax incomes). The combination of the four axioms characterizes a large family of rules, which we call generalized equal-sacrifice rules, encompassing the so-called equal-sacrifice rules (such as the flat tax), as well as constrained equal-sacrifice rules (such as the head tax), and exogenous poverty-line rules (such as the leveling tax, and some of its possible compromises with the previous ones).

MSC:
\[ 91B15 \] Welfare economics
\[ 91B32 \] Resource and cost allocation (including fair division, apportionment, etc.)

Keywords:
taxation; poverty; generalized equal-sacrifice rules

Full Text: DOI

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