VHB-ProDok
Verband der Hochschullehrerinnen und
Hochschullehrer für Betriebswirtschaft e. V.
Syllabus

Discipline: Taxation, Empirical-archival research

1. Language / Sprache

English

2. Title / Titel

Recent trends in empirical tax and sustainability research

3. Lecturer / Referent

Prof. Dr. Marcel Olbert

London Business School

https://www.london.edu/faculty-and-research/faculty-profiles/m/marcel-olbert

https://marcelolbert.com/

4. Date and Location / Zeitraum und Veranstaltungsort

16. and 17.01.2025 Mannheim, in person.

30. and 31.01.2025 Online

5. Course Description / Kursbeschreibung

5.1 Abstract and Learning Objectives / Zusammenfassung und Lernziele

This course offers an integrated exploration of advanced topics in taxation and sustainability, focusing on their impact on firms' tax and financial accounting disclosure, and other real corporate decisions. Through a blend of critical literature reviews and hands-on empirical exercises, the course delves into traditional topics like the effects of tax policy on investment and tax avoidance but also into emerging topics like climate-related research. As a thematic foundation, the course will expand on the role of taxation and tax accounting in influencing capital market outcomes and business decisions, such as accounting choices, tax avoidance strategies, investment, and payout decisions. The course will also focus on the application of empirical tools and databases critical to understanding environmental, social, and governance (ESG) outcomes, among others. Special attention will be given to the effects of tax and non-tax policies on corporate outcomes, enhancing understanding of how these factors integrate with broader sustainability issues in the business sphere.

Designed for students with a foundational knowledge in research tools, corporate finance, and financial accounting, this course also incorporates a rigorous discussion of recent empirical tax literature. It is ideally suited for students interested in deepening their knowledge of how taxes and sustainability considerations shape business practices and regulatory frameworks, appealing to those focused on taxation, accounting, corporate finance, and public economics.

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5.2 Content / Kursinhalt

The course will cover the following topics in empirical-archival tax research.

1. Taxes and investment – traditional theory and empirical research
2. Taxes and investment – broader aspects and non-income taxes
3. Effects of (tax) disclosure regulation
4. Tax avoidance and real effects
5. Direct effects and externalities of taxation
6. Environmental taxes and corporate outcomes
7. ESG and taxes

5.3 Schedule (including start and end time / Zeitplan (inkl. Start- und Endzeit)

Time	Day 1 (16.01.)	Day 2 (17.01.)	Day 4 (30.01.)	Day 4 (31.01.)
9:45-12:45	Overview of Empirical Tax Research & Research Tools	Tax Avoidance and Real Effects	Environmental Taxation	Presentation of Coding Projects II
13:45-16:15	Taxation & Investment I	Identification Strategies and Measurement of Tax Policy and Firms' Tax Status	Novel (ESG) Datasets and Gathering Unstructured Data	Taxes and ESG
16:45-17:45	Taxation & Investment II	Summary of first block	Presentation of Coding Projects I	Summary of module

5.4 Course format / Kursformat

The course is a combination of interactive classes in which we jointly discuss research papers and methodological topics. Here, students will apply their gained knowledge in review reports, paper replication and other coding exercises, and in drafting a research proposal.

6. Preparation and Literature / Vorbereitung und Literaturhinweise

6.1 Prerequisites / Voraussetzungen

Students should have taken an introductory microeconomics course and should have an understanding of introductory statistics or econometrics. Students should have worked, even if at a basic level, with coding language for data analysis (R, Stata, or Python).

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6.2 Essential Reading Material / Pflichtlektüre

De Simone, L., & Olbert, M. (2022). Real effects of private country-by-country disclosure. *The Accounting Review*, *97*(6), 201-232.

Djankov, S., Ganser, T., McLiesh, C., Ramalho, R., & Shleifer, A. (2010). The effect of corporate taxes on investment and entrepreneurship. *American Economic Journal: Macroeconomics*, *2*(3), 31-64.

Gallemore, J., & Jacob, M. (2020). Corporate tax enforcement externalities and the banking sector. *Journal of Accounting Research*, *58*(5), 1117-1159.

Gallemore, J., Hollander, S., Jacob, M., & Zheng, X. (2022). Tax policy expectations and investment: Evidence from the 2016 US election and the Tax Cuts and Jobs Act. *Available at SSRN 3775710*.

Giroud, X., & Rauh, J. (2019). State taxation and the reallocation of business activity: Evidence from establishment-level data. *Journal of Political Economy*, *127*(3), 1262-1316.

Gómez-Cram, R., & Olbert, M. (2023). Measuring the expected effects of the global tax reform. *The Review of Financial Studies*, *36*(12), 4965-5011.

Graham, J. R., Hanlon, M., Shevlin, T., & Shroff, N. (2014). Incentives for tax planning and avoidance: Evidence from the field. *the accounting review*, *89*(3), 991-1023.

Hoi, C. K., Wu, Q., & Zhang, H. (2013). Is corporate social responsibility (CSR) associated with tax avoidance? Evidence from irresponsible CSR activities. *The accounting review*, *88*(6), 2025-2059.

Jacob, M., & Zerwer, K. L. (2024). Emission taxes and capital investments: The role of tax incidence. *The Accounting Review*, 1-32.

Jacob, M., Michaely, R., & Müller, M. A. (2019). Consumption taxes and corporate investment. *The Review of Financial Studies*, *32*(8), 3144-3182.

Känzig, D. R., Marenz, J., & Olbert, M. (2024). Carbon Leakage to Developing Countries. *Available at SSRN 4833343*.

Lester, R., & Olbert, M. (2024). Firms' Real and Reporting Responses to Taxation: A Review. *Available at SSRN 4779893*.

Olbert, M., & Severin, P. H. (2023). Private equity and local public finances. *Journal of Accounting Research*, *61*(4), 1313-1362.

Shevlin, T., Shivakumar, L., & Urcan, O. (2019). Macroeconomic effects of corporate tax policy. *Journal of Accounting and Economics*, *68*(1), 101233.

Yagan, D. (2015). Capital tax reform and the real economy: The effects of the 2003 dividend tax cut. *American Economic Review*, *105*(12), 3531-3563.

Zwick, E., & Mahon, J. (2017). Tax policy and heterogeneous investment behavior. *American Economic Review*, *107*(1), 217-248.

6.3 Additional Reading Material / zusätzliche Lektüre

Will be shared during the first day – to be read between the two blocks of lectures.

6.4 To prepare / Vorarbeiten

Two weeks in advance, the instructor will share a basic code repository and supplementary readings on coding and research productivity tools. Students are expected to be familiar with applying these materials when the course starts.

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7. Administration

7.1 Max. number of participants / Maximale Teilnehmerzahl

Due to the interactive character and Ph.D. project work, the maximum number of participants is 20.

7.2 Assignments / Aufgaben

See below.

7.3 Exam / Prüfungsleistung

Students are expected to come well-prepared to each meeting. That is, everyone is expected to have read all papers and other readings on databases, coding, etc. for the meetings. This ensures not only a lively discussion but also that the course objectives are reached.

The grading is based on four components:

1. Class participation and discussion 10%

2. Referee report 30%

3. Paper replication or equivalent coding project 30%

4. Research proposal 30%

Details on written assignments:

Each student will write two review reports with a cover letter to the editor on a recent working paper. The papers will be selected by the instructor.

Each student will replicate one empirical paper out of a selected pool of papers *or* conduct an empirical analysis as outlined by the instructor. Documents to be handed it are i) a PDF document with a set of tables and figures, including notes tot he tables and figures, preferably prepared using Latex and ii) a code repository that allows for smooth replication of the students' work.

Finally, each student is supposed to write one research proposal. The research proposal is supposed to include an introduction, a theory section, as well as a section explaining the empirical strategy and the potential data sources. The proposal should clearly highlight the research question, the potential contribution and research gap, hypotheses, and the research design. There is no minimum length, but the research proposal needs to cover these parts. The maximum length of the proposal is 6,000 words (excluding the list of references).

The deadlines for the assignments will be announced at the end of the first day. Some assignments will be due before the second block of the course starts (i.e., by January 29th).

7.4 Credits / Punkte

Der Kurs entspricht einem Umfang von 6 LP/ECTS / The course corresponds to a scope of 6 LP/ECTS

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8. **Arbeitszeitaufwand / Working Hours**

Aufteilung der Arbeitsstunden / Working Hours *(z. B. Vorarbeiten / preparations: 30 h, aktive Mitarbeit / active participation: 100 h, Prüfungsvorbereitung / preparation for exam: 30 h, Prüfung / exam: 20 h …)*	Stunden
Course preparation	52h
Class & class participation	28h
Reviews	30h
Paper replication and other coding exercises	30h
Research proposal	40h
SUMME	**180 h**
ECS: 6	