

A Panel Study of Recent Reform in Personal Income Taxation in Japan

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This paper estimates marginal tax rates on taxable income in Japan using panel data set of the Japan Household Panel Survey (JHPS). Also I investigate elasticities of taxable income in Japan. Kitamura and Miyazaki (2010) estimates marginal tax rates on taxable income and elasticity of taxable income using repeated cross-section data in Japan. Bessho (2010) estimates marginal tax rates on taxable income using cohort data in Japan. However, there is no study in which marginal tax rates on taxable income and elasticity of taxable income are estimated using panel data in Japan, though there are many studies in advanced countries. This paper evaluates effects of recent reform of personal income taxation in Japan.