Long-run Effects of Fiscal Shocks

B. Compensated Changes

	τ_k	τ_w	τ_c	g	h	l	c/y	μ_1, μ_2	k_g/k	Priv. cap. rel. to base	Pub. cap. rel. to base	Output rel. to base	Long-run govt bal	Long-run welf. gains
increase in h τ_c accom.	0.28	0.28	0.099	0.14	0.14	0.705	0.583	-0.03429 -0.1030	1.019	1.287	2.252	1.287	0.2892	1.66%
increase in h τ_k accom.	0.452	0.28	0	0.08	0.20	0.697	0.615	-0.03424 -0.1060	0.765	0.584	0.767	0.767	0.3862	-1.90%
increase in h τ_k accom.	0.451	0.28	0	0.14	0.14	0.697	0.615	-0.03430 -0.1032	1.335	0.829	1.901	1.086	0.3349	-1.42%
increase in g τ_c accom.	0.28	0.28	0.103	0.08	0.20	0.706	0.583	-0.03429 -0.1030	0.582	1.000	1.000	1.000	0.2976	0.69%
increase in g τ_w accom.	0.28	0.371	0	0.14	0.20	0.714	0.583	-0.03430 -0.1032	0.582	0.873	0.873	0.873	0.3019	-0.31%
increase in g τ_w accom.	0.28	0.370	0	0.14	0.14	0.713	0.583	-0.03426 -0.1032	1.019	1.238	2.166	1.238	0.2863	0.47%
dec in τ_k,τ_w τ_c accom.	0.218	0.218	0.10	0.08	0.14	0.705	0.631	-0.03429 -0.1030	0.536	1.165	1.073	1.073	0.2799	1.28%
elim. income tax	0	0	0.494	0.08	0.14	0.703	0.589	-0.03434 -0.0997	0.419	1.819	1.310	1.310	0.2342	4.32%
restructure gov. exp.	0.28	0.28	0	0.14	0.081	0.706	0.642	-0.03428 -0.1040	1.019	1.284	2.246	1.284	0.2834	-3.71%