

عنوان مقاله:

The Tax and Petroleum Revenue Effect on Iran's Public Expenditures (۱۹۹۴-۲۰۱۵), Employing Fiscal Illusion Approach

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نویسندگان:

Majid Maddah - *Department of Economics, Semnan University, Semnan, Iran*

Fozieh Jeyhoon-Tabar - *Department of Economics, Semnan University, Semnan, Iran*

خلاصه مقاله:

Increased expenditures and the government size is an important issue in public sector economics. In this regard, various theories have been developed in order to justify the reasons for the public expenditure growth, and the theories have been empirically tested. One of the outlooks explaining the government expenditures growth and the economy size, is fiscal illusion approach. According to fiscal illusion theory and experiences, citizens generally do not have a correct perception of fiscal parameters systematically, so that they wrongly demand for more government expenditures. In this study, seasonal data for the period of ۱۹۹۴-۲۰۱۵ were used to test and analyze the fiscal illusion in Iran's economy by applying autoregressive distributed lags model. Findings, obtained from the model estimation, indicate that the fiscal illusion in Iran's economy can be explained from the variables of oil revenue and government debt in short-term and long-term, and indirect tax elasticity in short-term. Since the government uses oil revenue to finance its debt and budget deficit, the results may lead to fiscal illusion. In order to prevent fiscal illusion, using these sources should be gradually reduced as much as possible. As tax revenue itself generally does not result in fiscal illusion (based on the findings), the government should specify transparent fiscal rules by using tax revenues rather than oil revenues in order to prevent both the increasing government expenditures and fiscal fluctuations. According to the results, government should use more direct tax revenue. As government's direct tax revenue, unlike other sources of revenue, does not create fiscal illusions, it does not result in excessive demand by citizens for public expenditures

کلمات کلیدی:

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