

Propositions

1. In the steady-state of the Chamley-Judd model, consumption in each period becomes equally complementary to leisure, so capital income taxes cannot be used to offset labor supply distortions caused by the labor income taxes. (Chapter 2)
2. The Chamley-Judd result can be interpreted as an application of the Ramsey principle (less elastic goods should be taxed more) only when restrictive assumptions are made on the utility function (namely, that compensated demands for goods depend only on contemporaneous prices). (Chapter 2)
3. If the heterogeneity in returns to capital is driven only by differences in ability and there is a positive relationship between ability and average returns to capital, capital income should be taxed at a positive rate. (Chapter 3)
4. If the heterogeneity in returns to capital is driven solely by differences in ability and there is a positive relationship between ability and average returns to capital, the optimal capital income tax follows the U-shape of the optimal labor income tax and is economically significant. (Chapter 3)
5. A timing effect can be observed in the Romanian hospitals' procurement procedures: contracts that are related to sponsorships are significantly larger than those that cannot be linked to sponsorships. (Chapter 4).
6. Firms' corporate social responsibility programmes, such as sponsorships to doctors' continuous education, need to be carefully scrutinized to ensure they do not create possible conflicts of interest.

7. The old consensus among economists, namely that capital income should not be taxed, is quickly unravelling into a myriad of reasons why capital income should be taxed.
8. With increasing evidence that returns to capital are heterogeneous across individuals even after controlling for risk preferences, old results based on the assumptions that capital income markets are perfect and complete need to be rethought.
9. While causality and normative questions are important, economics should not forget the importance of descriptive research: institutional setting matters.
10. Specialization should not come at the cost of losing the big picture.
11. "There is no real ending. It's just the place where you stop the story." (Frank Hebert)