

**COURSE DATA****Data Subject**

<b>Code</b>	36149
<b>Name</b>	Fiscal federalism: regional and local taxes
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2023 - 2024

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. Period</b>
1316 - Degree in Economics	Faculty of Economics	4 Second term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1316 - Degree in Economics	20 - Pathway: public economy	Optional

**Coordination**

<b>Name</b>	<b>Department</b>
PLA VALL, ANGELES	110 - Applied Economics

**SUMMARY**

Fiscal Federalism. Regional and Local Finance is an elective subject that is taken in the 4th year of the Degree in Economics. This subject is part of the Public Sector Economics module and the Public Economics and Tax System subject and has 6 ECTS credits. The subject is framed in the Curricular Intensification of Public Economy. The subject Public Economics and Tax System seeks to provide the student with a knowledge and understanding of the actions and functions of the public sector and of some aspects of the public sector that have to do with different public revenue policies and public spending programs. Within this subject, the compulsory subject Public Sector Economics stands out, which aims to structure all this knowledge and prepare the student for the rest of the elective subjects. Specifically, in Public Sector Economics, the basic contents that will be developed in other subjects such as Public Economic Evaluation, Spanish Tax System, Public Regulation and Fiscal Federalism will be introduced. Regional and Local Finance. By taking the subjects of Public Economics and Tax System, students will have extensive knowledge of the functioning of the public sector, which will be useful in their professional future, especially at all levels of public administration, as well as in the relations between companies and the public sector through knowledge of the tax system and the main public spending programs. The subject "Fiscal Federalism. Regional and Local Finance" has two different parts. The first part, called Fiscal Federalism, aims to familiarize the student with the use of indicators, approaches and models that allow him to approach the analysis of intergovernmental fiscal relations of any country with a



federal structure. In the second part, it is intended to explain in detail the Spanish system, made up of Autonomous Communities and Local Entities. To analyze the virtues and defects of the Spanish system, its structure will be compared with that of other federal countries.

## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

### Other requirements

To take this course, the student must know the functioning of the public sector, especially regarding the levels that comprise it and the main chapters of public income and expenditure. For this reason, it is recommended that the student has previously taken the Public Sector Economics subject.

## OUTCOMES

### 1316 - Degree in Economics

- Show critical thinking skills.
- Be able to collect and analyse information.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to work in a team (including interdisciplinary teams).
- Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.
- Understand the keys to the functioning of market economy, the difference between normative and positive reasoning and between the concepts of equity and efficiency.
- Understand the actions and functions of the public sector in the economy and the detailed development of the different public income policies and public expenditure programmes.
- Know the economic measures to reduce income inequality and poverty.

## LEARNING OUTCOMES

- Ability to use the analytical apparatus necessary to function in the world of public economy.
- Capacity with the use of indicators, approaches and models that allow to approach the analysis of intergovernmental fiscal relations of any country, especially those with a federal structure.
- Critical ability to understand and anticipate the results of different tax structures.
- Acquisition of knowledge about the internal limitations in the behavior of the public sector. In particular, they must be able to apply economic analysis to predict and correct problems that will arise in the functioning of public institutions, both in collective decision-making and in their execution.



## DESCRIPTION OF CONTENTS

### 1. Distribution, identification and measurement of fiscal power

- 1.1. The federal system: economic and political perspective
- 1.2. Principles for the distribution of spending competencies
- 1.3. Principles for distribution of tax power
- 1.4. Identification and quantification of fiscal power
- 1.5. Indicators of fiscal power
- 1.6. Ethics and institutional loyalty

### 2. Financial balances and imbalances

- 2.1. Concept and measurement of financial balance
- 2.2. Vertical financial balance and transfers
- 2.3. Horizontal financial balance and transfers
- 2.4. A simultaneous solution for both imbalances
- 2.5. Other inter-regional imbalances
- 2.6. Classification of transfers

### 3.

### 4. The territorial administration in Spain

- 4.1. Autonomous Communities
- 4.2. Local Level
- 4.3. intergovernmental Relations
- 4.4. Distribution of powers and expenditure functions
- 4.5. Regional and local spending figures

### 5. The regional financing

- 5.1. Foral System
- 5.2. The Common Regime
- 5.3. Noninterest income exclusive power.
- 5.4. Income taxes devolved power-sharing and
- 5.5. unconditional transfers
- 5.6. conditional transfers
- 5.7. The regional financing in figures

**6. Local financing**

- 6.1. Powers and local income tax
- 6.2. The compulsory municipal taxes
- 6.3. The voluntary municipal taxes
- 6.4. Local participation in state taxes
- 6.5. Conditional transfers
- 6.6. Local financing figures

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Study and independent work	24,00	0
Preparation of evaluation activities	45,00	0
Preparing lectures	21,00	0
<b>TOTAL</b>	<b>150,00</b>	

**TEACHING METHODOLOGY**

The development of the course is structured primarily around the theory sessions and practical sessions. Depending on the type of session (theoretical or practical) will elect a teaching method or another.

In the theoretical sessions, will present the main contents of each of the topics covered by the course. The teaching method in the theoretical lecture will be participatory. It will seek to encourage participation and discussion in class, in order to offer the student a direct involvement with the content.

In the practical sessions, the teacher proposed to the students situations (real or fictitious) that these must be resolved by applying the theoretical concepts learned. These classes will be developed following different practices teaching strategies based on the contents discussed in the corresponding theoretical session.

**EVALUATION**

The subject will be assessed from the following triple procedure:

1. - Written tests of theoretical and practical questions.
2. - Assessment of practical activities from the preparation of papers, presentations, problem solving and active participation in practical classes.
3. - Continuous student evaluation, based on regular attendance at school and classroom activities, participation and level of student involvement in the teaching-learning process.
- 4.- The second and the third method, taken together, will provide at least 20% of the final grade of the student. It is not recoverable.



## REFERENCES

### Basic

- AHMAD, E.; BROSIO, G. (2006): Handbook of Fiscal Federalism, Edward Elgar.
- ANDERSON, G. (2010): Una introducción comparada al federalismo fiscal. Marcial Pons, Madrid.
- GIMÉNEZ MONTERO, A. (2003): Federalismo Fiscal. Teoría y Práctica. Segunda Edición. Tirant Lo Blanch, Valencia.
- INSTITUT DE ECONOMIA DE BARCELONA (Varios años): Informe sobre Federalismo Fiscal, Institut d'Economia de Barcelona.
- MONASTERIO ESCUDERO, C.; SUÁREZ PANDIELLO, J. (1998): Manual de Hacienda Autonómica y Local. 2ª Edición. Ariel, Barcelona.
- SEVILLA SEGURA, José V. (2013): Lecciones sobre financiación pública de Estados descentralizados, IEF, Madrid.
- BOADWAY, R. W. y SHAH, A. (2009): Fiscal Federalism. Principles and Practice of Multiorder Governance, Cambridge University Press, New York.