

“Speculative Bubbles and Tax Policy”

一橋大学国際・公共政策大学院 国枝繁樹

(論文要旨)

In this paper, I will consider effects of capital gains tax and other tax policy in the model explicitly incorporating bubbles. Rational bubbles may occur when the return from bubbles is taxed more lightly than other assets. When rational bubbles exist already, with higher capital gains tax, bubbles should grow faster in order to keep the arbitrage condition with other assets, however investors realize that such higher growth of bubbles is unsustainable. Then, rational bubbles will collapse totally or partially. After the collapse of bubbles, there can be multiple paths; a bubbly equilibrium path converging to the new bubbly steady state with a smaller bubble than before, a bubbly equilibrium path converging to the bubbleless steady state and a bubbleless equilibrium path where there is no bubble at all.

I consider two episodes of bubble and tax policy in Japan; land price bubble in late 1980s and rabbit bubble in 1872-73. Both experiences are consistent with the prediction of our model.