

**Owen M. Zidar**

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**ACADEMIC APPOINTMENTS:**

University of Chicago, Booth School of Business,  
*Assistant Professor of Economics and Kathryn and Grant Swick Faculty Scholar*, July 2014 – present

Princeton University, Department of Economics and Woodrow Wilson School of Public and International Affairs,  
*Visiting Assistant Professor and Visiting Associate Research Scholar*, September 2017 – June 2018

National Bureau of Economic Research,  
*Faculty Research Fellow (Public Economics)*, July 2014 – present

**EDUCATION:**

Ph.D., University of California – Berkeley, Economics, May 2014  
Committee: Alan Auerbach (chair), Yuriy Gorodnichenko, Patrick Kline, Emmanuel Saez

B.A., *summa cum laude*, Dartmouth College, Economics (High Honors), May 2008

**PAST POSITIONS:**

Council of Economic Advisers, *Staff Economist*, 2010-2011

Bain Capital Ventures, *Analyst*, 2008-2009

**FIELDS OF INTEREST:** Public Finance, Urban Economics, Labor Economics

**FELLOWSHIPS AND AWARDS:**

2016	Excellence in Refereeing Award, <i>American Economic Review</i>
2014 - present	Kathryn and Grant Swick Faculty Scholar, University of Chicago Booth School of Business
2014	W.E. Upjohn Institute Dissertation Award, First Prize (co-winner)
2014	Washington Center for Equitable Growth Grant for Young Scholars
2014	Graduate Student Award for Public Policy Research – UC Berkeley Department of Economics
2013	UC Berkeley Deans Normative Time Fellowship
2013	Burch Center for Tax Policy and Public Finance Fellowship
2012, 2010	Graduate Division Summer Research Grant
2009	Departmental Fellowship, UC Berkeley Economics Department
2008	National Science Foundation, Graduate Research Fellowship, Honorable Mention
2008	Nelson A. Rockefeller Prize in Economics, James O. Freedman Presidential Scholar
2008	Phi Beta Kappa

**PAPERS:**

“Who Benefits from State Corporate Tax Cuts? A Local Labor Markets Approach with Heterogeneous Firms,” (with Juan Carlos Suárez Serrato), *American Economic Review*, 2016, 106(9): 2582-2624.

*Abstract:* This paper estimates the incidence of state corporate taxes on the welfare of workers, landowners, and firm owners using variation in state corporate tax rates and apportionment rules. We develop a spatial equilibrium model with imperfectly mobile firms and workers. Firm owners may earn profits and be inframarginal in their location choices due to differences in location-specific productivities. We use the reduced-form effects of tax changes to identify and estimate incidence as well as the structural parameters governing these impacts. In contrast to standard open economy models, firm owners bear roughly 40% of the incidence, while workers and landowners bear 30-35% and 25-30%, respectively.

“Tax Cuts for Whom? Heterogeneous Effects of Income Tax Changes on Growth and Employment”, *Revised and Resubmitted, Journal of Political Economy*

*Abstract:* This paper investigates how tax changes for different income groups affect aggregate economic activity. I construct a measure of who received (or paid for) tax changes in the postwar period using tax return data from

NBER's TAXSIM. I aggregate each tax change by income group and state. Variation in the income distribution across U.S. states and federal tax changes generate variation in regional tax shocks that I exploit to test for heterogeneous effects. I find that the positive relationship between tax cuts and employment growth is largely driven by tax cuts for lower-income groups and that the effect of tax cuts for the top 10% on employment growth is small.

“State Taxes and Spatial Misallocation” (with Pablo Fajgelbaum, Eduardo Morales, and Juan Carlos Suárez Serrato), *Revise and Resubmit, Review of Economic Studies*

*Abstract:* We study state taxes as a potential source of spatial misallocation in the United States. We build a spatial general-equilibrium framework that incorporates salient features of the U.S. state tax system, and use changes in state tax rates between 1980 and 2010 to estimate the model parameters that determine how worker and firm location responds to changes in state taxes. We find that, in the U.S., tax dispersion leads to aggregate losses and that the potential losses from even greater tax dispersion can be large. A government-spending-constant elimination of spatial dispersion in state taxes (which account for 4% of GDP) would increase worker welfare by 0.2%, while doubling spatial tax dispersion would reduce worker welfare by 0.4%.

“Business in the United States: Who Owns it and How Much Tax They Pay,” (with Michael Cooper, John McClelland, James Pearce, Richard Prisinzano, Joseph Sullivan, Danny Yagan, and Eric Zwick), in J. Brown ed., **Tax Policy and the Economy**, 2016. Cambridge: MIT Press, Volume 30, 90-128.

*Abstract:* “Pass-through” businesses like partnerships and S-corporations now generate over half of U.S. business income and account for much of the post-1980 rise in the top- 1% income share. We use administrative tax data from 2011 to identify pass-through business owners and estimate how much tax they pay. We present three findings. (1) Relative to traditional business income, pass-through business income is substantially more concentrated among high-earners. (2) Partnership ownership is opaque: 20% of the income goes to unclassifiable partners, and 15% of the income is earned in circularly owned partnerships. (3) The average federal income tax rate on U.S. pass-through business income is 19%—much lower than the average rate on traditional corporations. If pass-through activity had remained at 1980’s low level, strong but straightforward assumptions imply that the 2011 average U.S. tax rate on total U.S. business income would have been 28% rather than 24%, and tax revenue would have been approximately \$100 billion higher.

“The Structure of State Corporate Taxation and its Impact on State Tax Revenues and Economic Activity,” (with Juan Carlos Suárez Serrato), *under review*

*Abstract:* This paper documents facts about the state corporate tax structure – tax rates, base rules, and credits – and investigates its consequences for state tax revenue and economic activity. We present three main findings. First, tax base rules and credits explain more of the variation in the state corporate tax revenue than tax rates do. Second, although states typically do not offset tax rate changes with base and credit changes, the effects of tax rate changes on tax revenue and economic activity depend on the breadth of the base. Third, as states have narrowed their tax bases, the relationship between tax rates and tax revenues has diminished. Overall, changes in state tax bases have made the state corporate tax system more favorable for corporations and are reducing the extent to which tax rate increases raise corporate tax revenue.

“Capitalists in the Twenty-First Century” (with Matt Smith, Danny Yagan, and Eric Zwick)

*Abstract:* Have passive rentiers replaced the working rich at the top of the U.S. income distribution? Using administrative data linking 10 million firms to their owners, this paper shows that private business owners who actively manage their firms are key for top income inequality. Private business income accounts for most of the rise of top incomes since 2000 and the majority of top earners receive private business income—most of which accrues to active owner-managers of mid-market firms in relatively skill-intensive and unconcentrated industries. Profit falls substantially after premature owner deaths. Top-owned firms are twice as profitable per worker as other firms despite similar risk, and rising profitability without rising scale explains most of their profit growth. Together, these facts indicate that the working rich remain central to rising top incomes in the twenty-first century.

“Who Profits from Patents? Rent-Sharing at Innovative Firms,” (with Pat Kline, Neviana Petkova, and Heidi Williams)

#### **OTHER WRITING:**

“Do Not Abolish the Corporate Tax” *The Washington Post* Wonkblog, 1/21/2014.

“Labs for Testing Fiscal Policy Positions” *The New York Times* Economix, 2/28/2013.

“The Growing Burden of Payroll Taxes” *The New York Times* Economix, 11/28/2012.

“Tax Cuts for Job Creators” *The New York Times* Economix with Laura Tyson, 10/19/2012.

**PRESENTATIONS (includes scheduled):**

- 2017 NBER Summer Institute (2 papers, 3 sessions) – Labor, Labor/Pubic, Income Distribution and Macroeconomics, Georgetown, Federal Reserve Board, Purdue, Michigan State, Dartmouth, MIT, Yale, Princeton, Stanford, Columbia, Northwestern, Brown (Income and Wealth Inequality Conference), University of Illinois Urbana-Champaign, University of Chicago Booth School of Business, NBER Economic Effects of State Business Taxation Conference
- 2016 LSE/UCL/Institute of Fiscal Studies, Kellogg Strategy, Columbia Tax Policy Colloquium
- 2015 Harvard, UC Berkeley, Columbia, University of Michigan, University of Chicago, AEA Meetings, NBER Summer Institute – Macro Public Finance, Upjohn Institute, NBER Fall – Public Economics
- 2014 NBER Summer Institute (3 sessions) – Public Economics, Urban, and Macro Public Finance, MIT, University of Chicago Booth School of Business, Princeton University, Harvard Kennedy School, Harvard Business School, Brown University, The Wharton School of University of Pennsylvania, Northwestern University, University of Wisconsin – Madison, Pennsylvania State University, University of Chicago, National Tax Association, University of Chicago – Harris, Oxford Conference on Business Taxation, ZEW
- 2013 NBER Summer Institute – Public Economics, National Tax Association (2 papers), US Department of the Treasury – Office of Tax Analysis, Federal Reserve Bank of San Francisco, All-UC Group/Huntington April Conference
- 2012 23rd Jerusalem Summer School in Economic Theory – Hebrew University, Graduate Economics Mini Symposium (Macroeconomics), Public Finance & Labor Lunch – UC Berkeley

**PROFESSIONAL RESPONSIBILITIES:**

- Co-chair NBER Conference on Business Taxation in a Federal System (w/ Josh Rauh, biennially starting 2018)
- Session organizer National Tax Association – Corporate Tax Session, 2015
- Referee *American Economic Review, Quarterly Journal of Economics, Journal of Political Economy, Journal of Public Economics, Review of Economics and Statistics, American Economic Journal: Economic Policy, American Economic Journal: Applied Economics, Journal of Urban Economics, National Science Foundation, Journal of the European Economic Association*

**OTHER INFORMATION:**

- Citizenship: United States

*Last Edited: August 2017*