

Table 1. From Net Incomes in the ECHP to Gross Incomes (in 1994 euro per year)

	Singles		Couples	
	Females	Males	Females	Males
PARTICIPANTS				
WAGE EARNINGS				
1. Net Wage Earnings	11,511.2	12,350.1	10,099.7	12,653.7
2. Tax Withdrawals	2,497.6	2,898.2	1,825.9	2,877.1
3. Employee Contribution to SS	974.8	1,014.0	831.3	1,014.0
4. Gross Wage Earnings: 1 + 2 + 3	14,983.6	16,262.3	12,756.9	16,544.8
3. 2/4 in %	16.7 %	17.8 %	14.3 %	17.4 %
6. 3/4 in %	6.5 %	6.2 %	6.5 %	6.1 %
TAXABLE TRANSFERS				
7. Net taxable transfers	160.8	108.1	151.3	216.2
8. Tax Withdrawals	3.3	2.2	3.1	7.5
9. Gross Taxable Transfers	164.1	110.3	154.4	223.7
10. 8/9 in %	2.0 %	2.0 %	2.0 %	2.0 %
CAPITAL INCOME				
11. Net capital Income	140.0	170.0	21.3	190.0
12. Tax Withdrawals	46.6	56.7	7.8	63.3
13. Gross Capital Income: 11 + 12	186.6	226.7	28.4	253.3
14. 12/13 in %	25.0 %	25.0 %	25.0 %	25.0 %
15. GROSS TAXABLE INCOME: 4 + 9 + 13	15,334.3	16,599.3	12,939.7	17,211.8
16. (2 + 8 + 12)/15 in %	16.6 %	17.8 %	14.2 %	17.1 %
17. OTHER (NON-TAXABLE) INCOME	43.9	37.4	14.4	26.4
18. Gross Non-Wage Income: 9 + 13 + 17	394.6	374.4	197.2	503.4
19. GROSS TOTAL INCOME: 15 + 17	15,378.2	16,636.7	12,954.1	17,715.2
NON-PARTICIPANTS				
a. Net Capital Income	226.1	36.0	45.2	253.2
b. Income Tax Withdrawals	75.3	12.0	15.0	63.3
c. Gross Capital Income: a + b	301.4	48.0	60.2	316.5
d. b/c in %	25 %	25 %	25 %	25 %
e. Net Taxable Transfers	1,889.6	1,821.9	220.4	1,687.0
f. Tax Withdrawals	58.5	75.2	5.2	99.9
g. Gross Taxable Transfer: e + f	1,948.1	1,897.1	225.6	1,786.9
h. f/g in %	3.0 %	3.9 %	2.3 %	5.6 %
i. GROSS TAXABLE INCOME: c + g	2,249.5	1,945.1	285.8	2,103.4

j. (b + f)/i in %	5.9 %	4.5 %	7.1 %	7.8 %
k. Other Non-Taxable Income	194.3	46.1	28.3	9.9
l. GROSS NON-WAGE INCOME: i + k	2,443.8	1,991.2	314.1	2,113.3

Table 2. Descriptive Statistics for Single Person Households

	Females		Males	
	N°	Mean	N°	Mean
Individual characteristics				
Age	135	38.26	109	37.79
Primary education	39	0.29	29	0.26
Secondary education	42	0.31	52	0.48
University education	52	0.38	27	0.25
Family status				
Single	79	58.5	93	85.4
Separated	26	23.7	12	11.0
Married	6	4.4	2	1.8
Divorced	16	11.8	2	1.8
Widowed	8	5.9		
Number of children				
None	89	65.9	106	97.2
One	23	17.0	3	2.8
Two	19	14.1		
Three or more	4	3.0		
Region of residence				
Northwest	20	14.8	14	12.8
Northeast	18	13.3	26	23.8
Madrid	21	15.6	16	14.7
Center	15	11.1	8	7.3
East	33	24.4	31	28.4
South	21	15.6	9	8.3
Canary Islands	5	3.7	5	4.6
Weekly hours				
None	30	22.2	21	19.3
Up to 20	12	8.9	4	3.7
From 24 to 32	13	9.6	5	4.6
From 35 to 38	21	15.5	19	17.4
40	39	28.9	30	27.5
More than 40	19	14.8	28	26.5

Figure 1

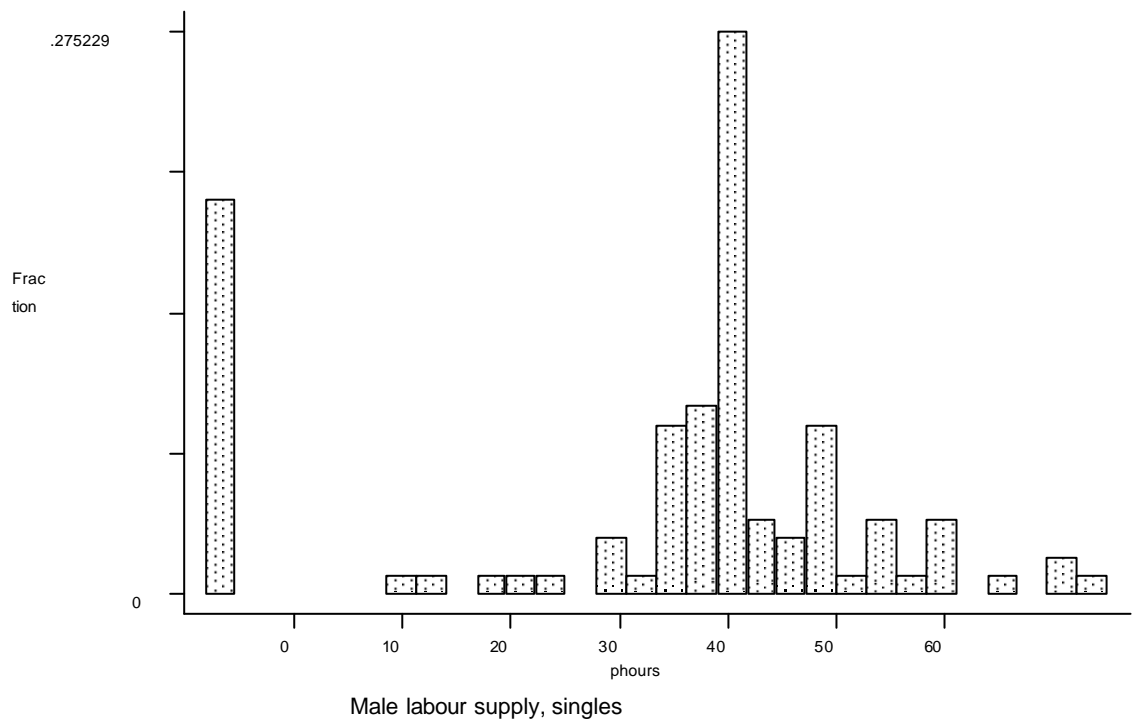
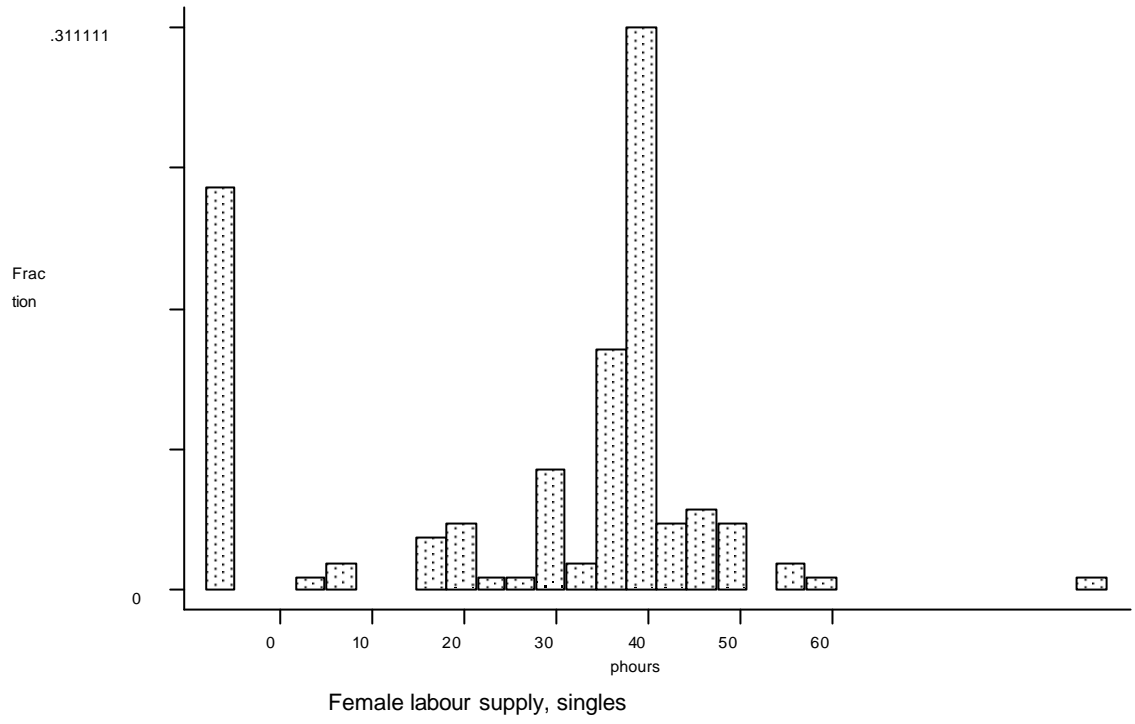


Table 3. Wage Equations for Participants, and Observed and Predicted Wages for Participants and Non-participants. Singles

	FEMALES		MALES	
	Coeff.	t value	Coeff.	t value
Constant	-1.326	-1.0	0.77	2.05
Age	0.141	2.03	0.825	2.61
Age²	-0.002	-1.86	0.370	1.99
Educ2	0.177	0.11	0.475	2.38
Educ3	0.719	4.94	0.259	1.48
Reg	0.191	1.36		
Child	-0.117	-0.97		
N°obs	94		N°obs	84
R²	0.088		R²	0.390

Educ2 = Secondary Education; **Educ3** = College Education; **Reg** = Madrid; **Child** = Presence of Children

WAGES PER HOUR IN EUROS

	FEMALES				MALES			
	Mean	St.dev.	Min	Max	Mean	St.dev.	Min	Max
Observed	8.93	10.52	2.06	101.33	7.92	4.49	0.80	27.34
PREDICTED								
Participants	8.59	3.38	3.27	14.97	8.18	1.87	4.38	14.37
Non-participants	5.91	2.06	3.33	12.80	7.30	1.51	4.76	11.07

Table 4. Mixed Multinomial Logit Estimates for Singles (Two Mass Points)

Males		Coeff.	Robust Std. Error.	t-value
θ_1	$\ln(c^m - c)$, regime 1	0.38	0.49	0.78
θ_2	$\ln(c^m - c)$, regime 2	15.99	4.16	3.84
m	probability scalar	- 0.96	0.26	- 3.64
β_{c1}	$\ln(c^m - c) \times educ3$	0.78	0.53	1.47
β_{l0}	$\ln(l^m - l)$	14.79	4.46	3.31
β_{l1}	$\ln(l^m - l) \times educ2$	0.38	1.90	0.20
log likelihood		- 151.54		
log likelihood multinomial logit		- 167.42		
Number of Observations: 109				

Females

θ_1	$\ln(c^f - c)$, regime 1	21.43	3.83	5.59
θ_2	$\ln(c^f - c)$, regime 2	1.52	0.42	3.64
m	probability scalar	0.58	0.22	2.67
β_{c1}	$\ln(c^f - c) \times educ3$	- 0.04	0.35	- 0.12
β_{l0}	$\ln(l^f - l)$	20.63	3.73	5.53
β_{l1}	$\ln(l^f - l) \times educ2$	- 2.87	1.65	- 1.74
log likelihood		- 182.27		
log likelihood multinomial logit		- 208.64		
Number of Observations: 135				

educ2 = Secondary Education; **educ3** = College Education

Table 5. Normalized Marginal Propensities for Consumption and Leisure for Male and Female Singles

	Mean	Std.Dv.	Min	10%	50%	90%	Max
MALES							
B_c^m	0.373	0.223	0.024	0.025	0.513	0.531	0.532
B_l^m	0.627	0.223	0.469	0.469	0.487	0.975	0.975
FEMALES							
B_c^f	0.371	0.213	0.067	0.067	0.509	0.546	0.547
B_l^f	0.629	0.213	0.453	0.453	0.491	0.933	0.933

Table 6. Price, Wage, and Income Elasticities for Male and Female Singles

	Mean	Std.Dv.	Min	10%	50%	90%	Max
MALES							
Price Elasticity	- 0.90	0.20	- 0.99	- 0.99	-0.98	- 0.46	-0.27
Wage Elasticity (h)	- 0.001	0.30	- 0.91	- 0.25	0.13	0.26	0.50
Income Elasticities:							
- Consumption	1.73	0.44	0.50	0.86	1.76	2.24	2.35
- Labour	- 2.42	1.63	- 12.84	- 3.25	- 2.19	- 1.27	- 1.09
FEMALES							
Price Elasticity	- 0.91	0.15	- 0.99	- 0.99	- 0.98	- 0.71	- 0.30
Wage Elasticity (h)	0.11	0.33	- 0.77	- 0.11	0.08	0.37	1.75
Income Elasticities:							
- Consumption	1.83	0.35	0.56	1.38	1.90	2.14	2.59
- Labour	- 2.62	1.50	- 9.83	- 3.14	- 2.11	- 1.75	- 1.01

Table 7. Actual versus Predicted Labour Supplies for Singles

MALES

	0	20	30	40	50	Total
0	25	1	0	0	0	26
20	2	1	0	0	0	3
30	0	4	0	8	0	12
40	0	0	0	43	0	43
50	0	0	1	24	0	25
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	27	6	1	75	0	109
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FEMALES

	0	20	30	40	50	Total
0	40	1	0	0	0	41
20	0	4	2	3	0	9
30	0	0	1	19	0	20
40	0	1	3	49	0	53
50	0	0	0	12	0	12
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	40	6	6	83	0	135
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Table 8. Descriptive Statistics for Couples. Individual Characteristics

	Females		Males		
	N°	Mean	N°	Mean	
Age	975	34.2	975	36.5	
			N°	%	
Primary education	293	0.30	273	0.28	
Secondary education	507	0.52	517	0.53	
University education	175	0.18	185	0.19	
Weekly hours			N°	%	
None	667	68.41	145	14.87	None
Up to 20	27	2.76	29	3.97	Up to 30
From 24 to 30	41	4.21	48	4.92	From 33 to 39
From 32 to 35	41	4.21	354	36.31	40
From 36 to 39	36	3.80	94	9.64	From 41 to 45
40	107	10.97	108	9.07	From 46 to 50
From 41 to 45	34	2.48	33	3.40	From 51 to 55
More than 48	21	2.16	51	5.24	From 56 to 60
			36	3.69	More than 60

Couples. Joint Characteristics

	N°	Mean
Number of children		
None	154	15.8
One	291	29.8
Two	431	45.0
Three or more	91	9.4
Region of residence		
Northwest	101	10.4
Northeast	162	16.6
Madrid	126	12.9
Center	137	14.1
East	220	22.6
South	187	19.2
Canary Islands	41	4.2

Figure 2

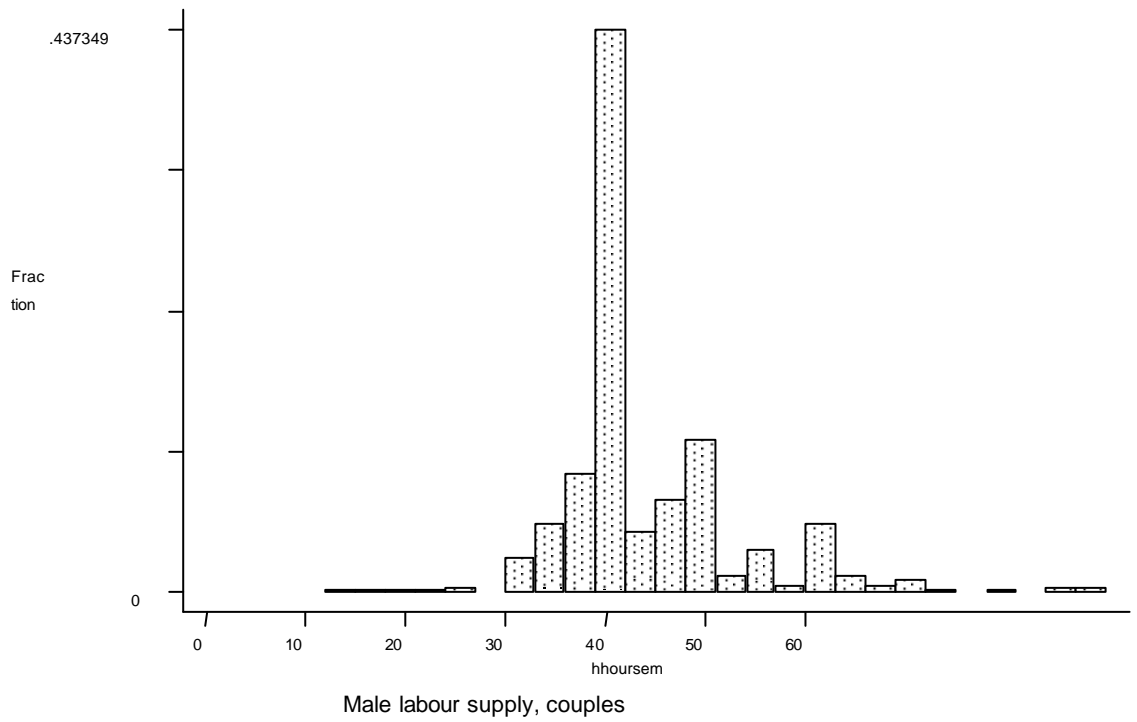
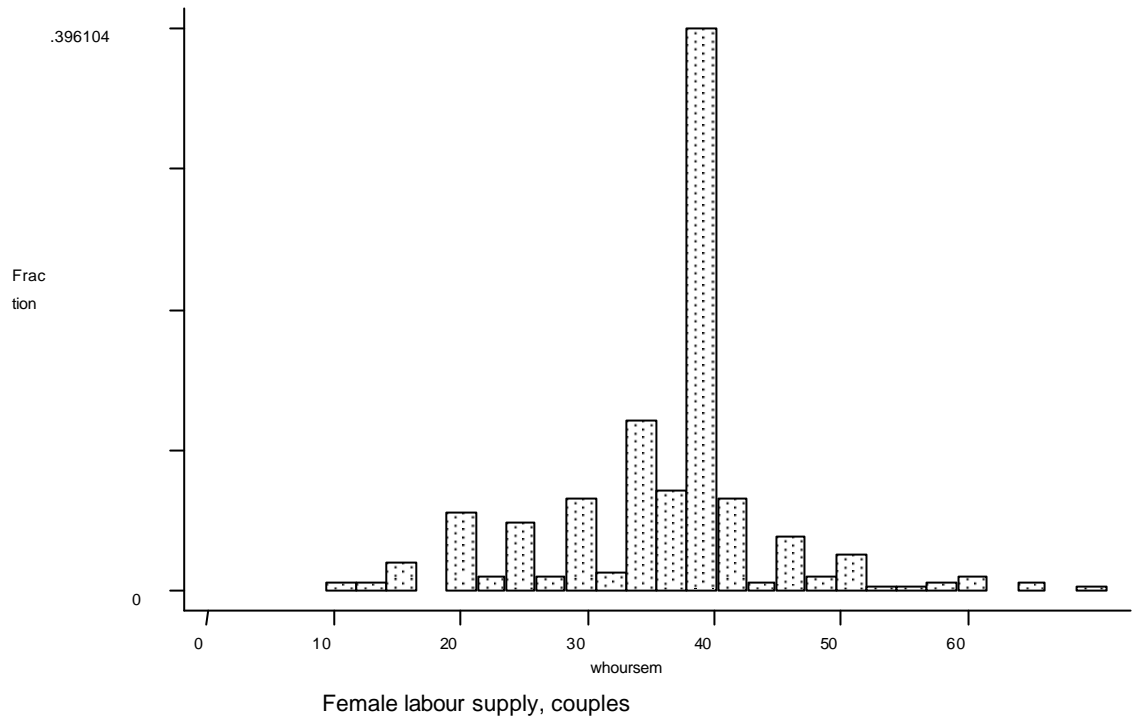


Table 9. Wage Equations for Participants, and Observed and Predicted Wages for Participants and Non-participants. Couples⁽¹⁷⁾

	FEMALES		MALES	
	Coeff.	t value	Coeff.	t value
Constant	- 2.433		0.759	6.39
Age	2.244		8.525	7.14
Age²	- 0.262		0.285	6.70
Educ2	- 0.365		0.851	16.53
Educ3	0.271		0.126	2.43
Reg	0.574			
Child1	- 0.057			
Child2	- 0.354			
N°obs	308		N°obs	828
			R²	0.302

Educ2 = Secondary Education; **Educ3** = College Education; **Reg** = Madrid; **Child1** = Presence of Children up to 3 Years of Age; **Child2** = Presence of Children between 4 and 15 Years of Age

WAGES PER HOUR IN EUROS

	FEMALES				MALES			
	Mean	St.dev.	Min	Max	Mean	St.dev.	Min	Max
Observed	7.29	4.42	0.37	31.47	7.77	4.76	0.28	48.29
PREDICTED								
Participants	8.05	4.16	1.35	27.60	7.92	2.96	4.12	19.06
Non-participants	6.46	3.13	1.93	24.21	6.92	2.25	4.12	17.14

Table 10. Description of the Calibrated Values of the Individual f's Power Index, m*, and the Leisure Interaction Term, d*

ALL COUPLES (975)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
m*	0.4196	0.1683	0	0.14	0.48	0.54	1
d*	0.6489	0.9920	- 2	0	0	2	3

COUPLES WHERE FEMALES PARTIPATE IN THE LABOUR MARKET (308)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
m*	0.3145	0.1516	0	0.12	0.30	0.50	0.78
d*	0.0472	0.7434	- 2	- 1	0	1	3

COUPLES WHERE FEMALES DO NOT PARTIPATE IN THE LABOUR MARKET (667)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
m*	0.4535	0.1572	0	0.28	0.48	0.56	1
d*	0.9267	0.9697	- 0.33	0	1	2.02	3

Table 11. Actual versus Predicted Labour Supplies for Couples after the Calibration of the Individual f 's Power Index, m^* , and the Leisure Interaction Term, d^*

MALES								
	0	10	20	30	40	50	60	Total
0	145	0	0	0	0	0	0	145
10	0	1	0	0	0	0	0	1
20	0	0	4	0	0	0	0	4
30	0	0	0	27	0	0	0	27
40	0	0	0	5	514	0	0	519
50	0	0	0	0	13	156	0	169
60	0	0	0	0	0	13	97	110
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	145	1	4	32	527	169	97	975
FEMALES								
	0	10	20	30	40	50	60	Total
0	667	0	0	0	0	0	0	667
10	0	4	0	0	0	0	0	4
20	0	2	29	0	0	0	0	30
30	0	0	2	37	0	0	0	40
40	0	0	0	23	178	0	0	201
50	0	0	0	0	11	13	0	24
60	0	0	0	0	0	1	8	9
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	666	6	31	60	189	14	8	975
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Table 12. Descriptive statistics for variables used in predicting the power index

	N°	Mean	Std.Dv.	Min	Max
Yf40	975	197.74	50.66	20.12	753.37
Ym40	975	227.03	95.80	50.16	1061.97
mgcontr	975	1.09	0.91	0.05	11.53
dage	975	2.26	3.30	-13	18

Table 13. Femle's Power Index, m^* , as a Function of Demographic Characteristics and Distribution Factors. Logistic Regression Results

	Coeff.	t value
Constant	- 0.949	- 2.73
Meduc2	0.045	0.46
Meduc3	0.082	0.60
Feduc2	0.167	1.72
Feduc3	- 0.105	- 0.78
Child1	- 0.034	- 0.42
Child2	- 0.117	- 1.35
Distribution Factors		
Dage	0.069	0.27
Lndifinc	0.002	0.67
Mgcontr	0.275	6.40
N°obs	975	
R²	0.042	

M(F)duc2 = Male (Female) Secondary Education; **M(F)duc3** = Male (Female) College Education; **Child1** = Presence of Children Up To 3 Years of Age; **Child2** = Presence of Children Between 4 and 15 Years of Age **Dage** = Age difference; **Lndifinc** = Log (Female non-labor income – male non-labor income); **Mgcontr** = Female Relative to Male Marginal Contributions to Household's Earnings

Table 14. Description of the Calibrated Leisure Interaction Terms and Estimated Female's Power Index

ALL COUPLES (975)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
d^{m*}	0.2431	1.613	- 4	- 2	0	2	5
d^{f*}	0.7518	1.902	- 6	- 1	0	3	6
m^*	0.4080	0.050	0.289	0.354	0.403	0.453	0.871

COUPLES WHERE FEMALES PARTICIPATE IN THE LABOUR MARKET (308)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
d^{m*}	- 0.6883	1.705	- 4	- 3	- 1	1	5
d^{f*}	0.3799	2.578	- 6	- 3	0	4	6

COUPLES WHERE FEMALES DO NOT PARTICIPATE IN THE LABOUR MARKET (667)

	Mean	Std.Dv.	Min	10%	50%	90%	Max
d^{m*}	0.6732	1.370	- 3	- 1	0	2	5
d^{f*}	0.9235	1.461	- 4	0	0	3	6

Table 15. Actual versus Predicted Labour Supplies for Couples after the Calibration of the Leisure Interaction Terms, d^{m*} and d^{f*}

MALES								
	0	10	20	30	40	50	60	
Total								
0	141	4	0	0	1	0	0	145
10	1	1	0	0	0	0	0	1
20	0	0	4	0	0	0	0	4
30	0	0	1	26	30	0	0	27
40	1	0	0	19	457	41	1	519
50	0	0	0	0	14	155	4	169
60	1	0	0	0	0	20	89	110
	143	5	5	45	471	216	90	975
FEMALES								
	0	10	20	30	40	50	60	
Total								
0	667	0	0	0	0	0	0	667
10	0	4	0	0	0	0	0	4
20	0	4	26	0	0	0	0	30
30	0	0	8	32	0	0	0	40
40	0	0	0	36	159	6	0	201
50	0	0	0	0	8	15	1	24
60	0	0	0	0	0	1	8	9
	667	8	34	68	167	22	9	975

**Table 16. The Leisure Interaction Terms as a Function of Demographic Characteristics.
Regression Results**

MALES	Coeff.	t value
Constant	- 0.3161	- 0.86
Age	0.1155	1.23
Educ2	0.1974	1.61
Educ3	- 0.0971	- 0.63
Child1	- 0.1434	- 1.40
Child2	0.0930	1.55
N°obs	975	
R²	0.011	

FEMALES	Coeff.	t value
Constant	0.3103	0.71
Age	0.0498	0.41
Educ2	0.1010	0.71
Educ3	- 0.0473	- 0.26
Child1	0.0808	0.67
Child2	0.1751	2.45
N°obs	975	
R²	0.003	

Table 17. Actual versus Predicted Labour Supplies for Couples after the Estimation of the Leisure Interaction Terms, d^{m*} and d^{f*}

MALES

	0	10	20	30	40	50	60	
Total								
0	13	71	22	38	1	0	0	145
10	0	0	0	1	0	0	0	1
20	1	0	0	3	0	0	0	4
30	0	1	3	6	7	10	0	27
40	10	20	44	125	124	193	3	519
50	10	6	22	56	35	39	1	169
60	11	1	26	34	20	17	1	110
	45	99	117	263	187	259	5	975

FEMALES

	0	10	20	30	40	50	60	Total
0	499	33	118	17	0	0	0	667
10	3	0	1	0	0	0	0	4
20	5	2	8	14	1	0	0	30
30	8	4	5	20	3	0	0	40
40	35	22	64	68	12	0	0	201
50	3	6	7	7	0	0	0	24
60	3	1	3	1	0	0	0	9
	556	68	208	127	16	0	0	975

Table 18. Mixed Multinomial Logit Estimates of preferences for Couples (Two Mass Points)

		Coeff.	Robust Std. Error.	t -value
θ_1	$\ln(c - c)$, regime 1	-2.04	0.28	-7.29
θ_2	$\ln(c - c)$, regime 2	2.15	0.49	4.37
m	probability scalar	-0.10	0.43	-0.23
β_{c1}	$\ln(c - c) \times educ2$	0.19	0.17	1.15
β_{c2}	$\ln(c - c) \times educ3$	0.82	0.39	2.09
β_{c3}	$\ln(c - c) \times regf_1$	5.98	0.47	12.80
β_{c4}	$\ln(c - c) \times regm_2$	2.30	0.28	8.29
β^m_{10}	$\ln(l^m - l)$	-8.64	2.59	-3.33
β^m_{11}	$\ln(l^m - l) \times children$	3.17	2.78	1.14
β^m_{12}	$\ln(l^m - l) \times educ3$	0.30	0.30	1.00
β^f_{10}	$\ln(l^f - l)$	4.46	2.45	1.60
β^f_{11}	$\ln(l^f - l) \times children$	4.05	2.54	1.60
β^f_{12}	$\ln(l^f - l) \times educ2$	-0.30	0.34	-0.87
β^f_{13}	$\ln(l^f - l) \times regf_1$	-12.79	0.76	-16.78
δ_0	$\ln(l^f - l) \times \ln(l^m - l)$	1.86	0.64	2.90
δ_1	$\ln(l^f - l) \times \ln(l^m - l) \times children$	-0.69	0.68	-1.01
δ_2	$\ln(l^f - l) \times \ln(l^m - l) \times educ3$	-0.13	0.09	-1.45
δ_3	$\ln(l^f - l) \times \ln(l^m - l) \times dreg$	-0.15	0.06	-2.66
δ_4	$\ln(l^f - l) \times \ln(l^m - l) \times age$	0.006	0.005	1.18
δ_5	$\ln(l^f - l) \times \ln(l^m - l) \times regf_1$	1.25	0.11	11.55

	log likelihood	-2711.76		
	Number of Observations: 975			

Table 19. Collective versus Unitary labour supply

MALES

	0	10	20	30	40	50	60	
Total								
0	4	1	8	18	4	0	4	39
10	0	0	0	1	0	1	0	2
20	0	0	1	1	1	1	0	4
30	0	0	2	5	26	2	2	37
40	3	0	2	10	229	53	20	317
50	0	0	0	6	53	54	7	120
60	0	0	0	1	9	8	9	27
	7	1	13	42	322	119	42	546

FEMALES

	0	10	20	30	40	50	60	
Total								
0	126	70	56	7	0	0	0	259
10	2	1	1	1	0	0	0	5
20	4	3	13	10	0	1	0	31
30	7	4	13	30	7	0	2	63
40	18	12	31	68	23	7	3	162
50	5	0	2	6	1	1	2	17
60	2	2	3	0	0	0	2	9
	164	92	119	122	31	9	9	546

Table 20. The Impact of the 1999 Tax Reform on Couples' Decisions to Fill in Separate or Joint Tax Returns, and the Number of Returns with Zero Tax Liabilities. The Static Case

	Tax Returns, 1994			Tax Returns, 1999		
	Zero	Non Zero	Total	Zero	Non Zero	Total
SINGLES						
1. Males	23	86	109	29	80	109
2. Females	28	107	135	50	85	135
COUPLES						
3. Individual Returns	166	540	700	448	1,364	1,812
4. Joint Returns	52	570	622	2	67	69
TOTAL	269	1,103	1,572	529	1,596	2,125

Table 21. The Impact of the 1999 Tax Reform on Tax Liabilities, Average Tax Rates, and Disposable Incomes. The Static Case.

DECILES	1994 GROSS INCOME (Euro per year)			NET TAX LIABILITY			MEAN TAX RATES (in %)		
	Min (1)	Max (2)	Mean (3)	1994 (4)	1999 (5)	4 - 5 (6)	1994 (7)	1999 (8)	7 - 8 (9)
1	16,0	2,242	508	0.00	0.00	0.00	0.00	0.00	0.00
2	2,352	7,296	5,279	122	17	105	2.25	0.02	2.23
3	7,310	9,313	8,285	462	197	365	5.50	2.32	3.18
4	9,355	11,433	10,433	858	545	313	8.21	5.19	3.02
5	11,470	14,059	12,699	1,256	906	350	9.85	7.09	2.76
6	14,064	17,096	15,637	1,926	1,552	374	12.27	9.89	2.38
7	17,120	21,230	19,109	2,792	2,195	597	14.56	11.46	3.10
8	21,246	27,043	24,049	4,017	3,214	803	16.66	13.32	3.34
9	27,116	35,009	30,517	5,740	4,653	1,087	18.78	15.23	3.55
10	35,028	200,118	50,041	12,575	10,501	2,074	23.33	19.29	4.04
90-95	35,028	45,291	39,204	8,168	6,564	1,604	20.79	16.74	4.05
95-100	45,332	200,118	61,059	17,055	14,504	2,551	25.90	21.88	4.02
TOTAL	-	-	17,629	2,967	2,371	596	11.13	8.40	2.73

Table 22. The 1999 Tax Reform: Changes in Labour Supply for Singles and Couples as a Consequence of Changes in the Budget Constraint

SINGLE MALES

	0	20	40	50	Total
0	26	1	0	0	27
20	0	6	0	0	6
30	0	0	0	1	1
40	0	0	72	3	75
<hr/>					
	26	7	72	4	109

SINGLE FEMALES

	0	20	30	40	Total
0	30	10	0	0	40
20	0	5	1	0	6
30	0	1	1	4	6
40	0	0	1	82	83
<hr/>					
	30	16	1	86	135

MALES IN COUPLES

	0	10	20	30	40	50	60	Total
0	91	44	8	0	0	0	0	143
10	0	3	2	0	0	0	0	5
20	1	0	5	0	0	0	0	5
30	0	0	2	39	4	0	0	45
40	0	0	2	32	300	132	5	471
50	0	0	0	1	64	127	24	216
60	0	0	0	1	6	25	58	90

91 47 19 73 374 284 87 975

FEMALES IN COUPLES

	0	10	20	30	40	50	60	Total
0	470	154	39	4	0	0	0	667
10	3	5	0	0	0	0	0	8
20	2	4	21	6	1	0	0	34
30	0	2	10	45	11	0	0	68
40	0	0	2	35	117	13	0	167
50	0	0	0	0	5	16	1	22
60	0	0	0	0	0	2	7	9
<hr/>								
	475	165	72	90	134	31	8	975
<hr/>								

Figure 3. Female Power Index Pre and Post-Reform

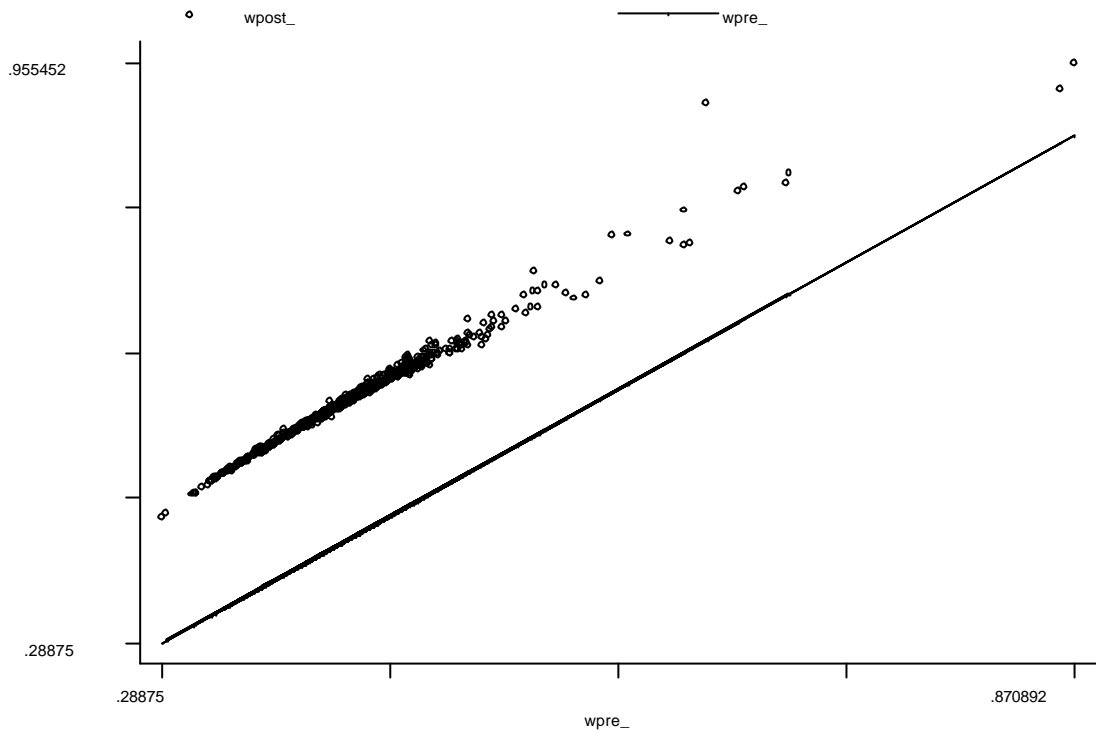


Table 23. The 1999 Tax Reform: Changes in Labour Supply for Couples as a Consequence of Changes in the Budget Constraint and Changes in the Female's Power Index

MALES IN COUPLES

	0	10	20	30	40	50	60	Total
0	42	98	3	0	0	0	0	143
10	0	1	4	0	0	0	0	5
20	0	0	2	3	0	0	0	5
30	0	0	1	17	23	4	0	45
40	0	0	1	50	116	283	21	471
50	0	0	0	0	10	114	92	216
60	0	0	0	0	0	11	79	90
<hr/>								
	42	99	11	70	149	412	192	975

FEMALES IN COUPLES

	0	10	20	30	40	50	Total
0	606	44	12	4	1	0	667
10	3	4	1	0	0	0	8
20	11	5	15	3	0	0	34
30	3	15	24	25	0	1	68
40	2	7	63	58	34	3	167
50	0	0	2	4	5	11	22
60	0	0	0	0	0	9	9
<hr/>							
	625	75	117	94	40	24	975
<hr/>							

Table 24. The Impact of the 1999 Tax Reform on Mean Weekly Hours Worked, Mean Before-tax Income (Gross Household Income Net of Social Security Contributions), and Mean After-tax Income (Disposable Income). Euro per year.

	Mean Weekly Hours			Gross Income			Disposable Income		
	1994 (1)	1999a (2)	1999b (3)	1994 (4)	1999a (5)	1999b (6)	1994 (7)	1999a (8)	1999b (9)
SINGLES									
Males	28.9	29.5	-	11,189	11,651	-	9,533	9,867	-
Females	26.8	28.5		12,801	13,224	-	10,091	10,978	-
COUPLES				18,973	19,972	20,143	15,878	17,510	17,406
Males	37.5	38.4	42.4	-	-	-	8,477	9,237	11,661
Females	11.4	13.5	8.9	-	-	-	7,401	8,273	5,745
ALL				17,629	18,483	18,620	14,670	16,078	16,020

1999a = Effects Induced by the Tax Reform Only Through the Budget Constraint

1999b = Total Effects Induced by the Tax Reform, Including Changes In Females' Power Indexes

Table 25. The Impact of the 1999 Tax Reform on Tax Liabilities, Average Tax Rates, and Disposable Incomes After Reactions to Changes in Budget Constraints

DECILES	1999 GROSS INCOME			AVERAGE NET TAX LIABILITY (4)	AVERAGE AFTER TAX INCOME	in % AVERAGE TAX RATE	
	Min (1)	Max (2)	Mean (3)				
1	32	4,379	2,289	0.0	2,289		0.0
2	4,385	7,784	6,249	48	6,241		0.67
3	7,801	9,864	8,873	260		8,613	2.88
4	9,866	12,082	10,838	556	10,282		5.10
5	12,085	14,858	13,403	1,049		12,354	7.80
6	16,886	17,938	16,320	1,419		14,901	8.68
7	17,962	21,602	19,867	2,195		17,672	11.04
8	21,610	27,486	24,495	3,044		19,451	12.41
9	27,528	36,203	31,264	4,791		26,473	15.28
10	36,230	200,118	51,500	10,802		40,698	19.23
90-95	36,230	45,224	39,548	6,580		32,968	16.58
95-100	45,291	200,118	63,651	15,096		48,555	21.92
TOTAL	-	-	18,483	2,410		16,023	8.30

Table 26. The Impact of the 1999 Tax Reform on Tax Liabilities, Average Tax Rates, and Disposable Incomes After Reactions to Changes in Budget Constraints and Females' Power Index

DECILES	1999 GROSS INCOME			AVERAGE NET TAX LIABILITY (4)	AVERAGE AFTER TAX INCOME	in %	
	Min (1)	Max (2)	Mean (3)			AVERAGE TAX RATE	
1	32	4,290	2,551	0.0	2,551	0.0	
2	4,293	7,542	6,249	31	6,218	0.44	
3	7,566	9,493	8,548	193		8,355	2.22
4	9,533	12,065	10,585	532	10,053	4.98	
5	12,097	14,783	13,353	1,060		12,293	7.94
6	14,794	18,682	16,638	1,749		14,889	10.44
7	18,701	22,492	20,424	2,492		17,932	12.17
8	22,503	27,922	25,335	3,437		21,898	13.51
9	27,995	36,566	31,934	5,198		26,736	16.22
10	36,571	200,118	51,022	11,438		39,584	20.65
90-95	36,571	44,089	40,089	7,144		32,945	17.81
95-100	44,089	200,118	62,168	15,803		46,635	23.53
TOTAL	-	-	18,619	2,606		16,013	8.85

Table 27. Gainers and Losers In Disposable Income and Utility After the 1999 Tax Reform, by Quintiles of the Before Tax Income Distribution

QUINTILES	Number (1)	Disposable Income		Male Utility		
		Mean Gain/Loss (2)	Relative Gain/Loss (3)	Gainers (4)	Losers (5)	
1	Gainers	178	2,288	82.3		
	Indifferent	36	-	-	26	150
	Losers	30	- 443	- 7.7	14.8%	85.2%
2	Gainers	210	1,054	12.2		
	Losers	34	- 1,710	- 18.5	32 14.5%	189 85.5%
3	Gainers	204	1,558	12.4		
	Losers	40	- 1,478	- 11.6	22 9.7%	204 91.3%
4	Gainers	203	2,659	14.8		
	Losers	41	- 2,012	- 10.6	19 8.6%	202 91.4%
5	Gainers	164	3,738	12.4		
	Losers	79	- 3,045	- 9.2	6 2.6%	223 97.4%
ALL	Gainers	959	2,189	15.6		
	Indifferent	36	-	-	105	968
	Losers	224	- 2,025	- 10.3	9.8%	91.2%

^a: Average of: (Individual Gains or Losses)/(Mean Disposable Income in Each Quintile), in % (see the text for an explanation)