



Harnessing the Power: Academic and Government Collaborations to Use Administrative Data for Research and Policy Insights

Professor Day Manoli, PhD, Department of Economics, University of Texas at Austin

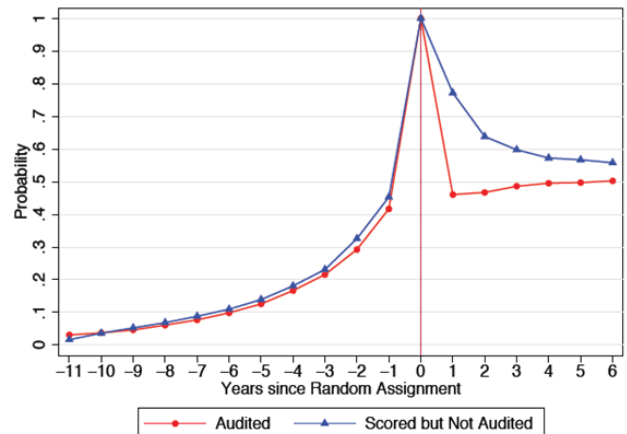
Government agencies collect administrative data for a variety of programs. Partnering with academic researchers to analyze these data can lead to valuable human capital development and policy insights. As an academic economist, Professor Manoli has collaborated with coauthors at the United States Treasury and Internal Revenue Service to study federal income tax administration and tax policy, and has been able to learn valuable institutional background, provide data analysis skills and develop academic research and policy-relevant conclusions. Professor Manoli will discuss three such examples of academic and government collaborations and their conclusions, while also highlighting how to make these collaborations productive and sustainable..

Study 1 (Guyton et al 2017) uses administrative tax data to identify potentially EITC-eligible individuals who did not file federal income tax returns and then implement a randomized controlled trial to test whether postcard reminders could increase tax filing and EITC participation. **The results demonstrated that reminders successfully increased EITC participation and filing of current and past tax returns, and some individuals paid taxes owed to the IRS.**

Study 2 (Manoli and Turner 2018) uses administrative tax data to examine the impacts of tax refunds received in the spring of the high school senior year on college enrollment. **The results suggest tax refunds received in the spring of the high school senior year have meaningful effects on college enrollment for students from low-income households.**

Study 3 (Guyton et al 2018) estimates the impacts of EITC correspondence audits on taxpayer behavior by developing a research design based on random variation within part of the IRS' audit selection procedures. **The results indicate that, in the years after the audits, there are significant decreases in EITC participation (see Figure 1 to the right), and this is primarily driven by decreases in the likelihood of filing tax returns.** Furthermore, self-employed taxpayers increase their likelihood of

Figure 1. Claiming EITC, Self-Employed
(Source: Guyton et al 2018)



having wage employment, and wage earner taxpayers decrease their likelihood of having wage employment. Further research may examine strategies to increase response rates to audits and strategies for post-audit follow-up communications.

References

- Guyton, J., P. Langetieg, D. Manoli, M. Payne, B. Schafer, and M. Sebastiani (2017). "Reminders and Recidivism: Using Administrative Data to Characterize Nonfilers and Conduct EITC Outreach", *American Economic Review Papers and Proceedings* 107 (5): 471-475.
- Guyton, J., K. Leibel, D. Manoli, A. Patel, M. Payne, and B. Schafer (2018) "Tax Enforcement and Tax Policy: Evidence on Taxpayer Responses to EITC Correspondence Audits" NBER Working Paper 24465.
- Manoli, D, M. Michaelides, and A. Patel (2018). "Long-term Effects of Job Search Assistance Experimental Evidence Using Administrative Tax Data", NBER Working Paper 24422.