

# **IS A TAX CUT ON CULTURAL GOODS CONSUMPTION ACTUALLY DESIRABLE?: A MICROSIMULATION ANALYSIS APPLIED TO SPAIN**

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## **English Summary**

Tax cuts proposals in cultural goods represent an ongoing debate in cultural policy. The main aim of this paper is to shed some light on this debate using microsimulation tools. First, we have estimated an Almost Ideal Demand System for 19 different groups of goods, including cultural ones. Expenditure and price elasticities have been obtained from this model. Using this information, three alternatives cuts in the V.A.T. rate on cultural goods have been microsimulated and evaluated in terms of revenue and welfare. This type of fiscal reforms will lead to welfare and efficiency gains that can be described as regressive.

**JEL classification numbers:** D12, H23, H31, Z10.

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