

Monday, September 29, 2025
from 4:45 p.m. to 6:20 p.m. (Moscow time)
room 16-10 and ZOOM translation

Vassili N. Kolokoltsov

On a new theory of optimal taxation

The Nobel-prize winning Mirrlees' theory of optimal taxation inspired a long sequence of research on its refinement and enhancement. However, an issue of concern has been always the fact that, as was shown in many publications, the optimal schedule in Mirrlees' paradigm of maximizing the total utility (constructed from individually optimized individual ones) usually did not lead to progressive taxation (contradicting the ethically supported practice in developed economies), and often even assigned minimal tax rates to the higher paid strata of society. To begin with, we shall support this conclusion by proving a theorem that, under the standard paradigm, the optimal tax schedule in piecewise-linear environment and under the simplest natural utility function is just taking no taxes at all. The main objective of the talk is to suggest a new paradigm for optimal taxation, where instead of just total utility maximization one introduces the standard deviation of utility as a second parameter standing for social inequality. We show that this approach leads to transparent optimal tax, the level being defined by a parameter of social inequality-tolerance that is analogous to the risk-tolerance coefficient in the financial context of the Markovitz optimal portfolio theory.

SCIENTIFIC SEMINAR
“DIFFERENTIAL GEOMETRY AND APPLICATIONS”

headed by Academician of RAS Anatoly T. Fomenko

The zoom-ref is provided only to registered persons
To be registered, ask any participant of our seminar to endorse you
Announcements of previous talks can be found on the seminar website
<http://dfgm.math.msu.su/chairsem.php>