

# Tax Simplicity and Heterogeneous Learning\*

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## Abstract

French self-employed workers can choose between 3 fiscal regimes, each of which differs in terms of tax incentives and administrative simplicity. In the two simplest regimes, an exceedingly large number of declarants report revenues just below the turnover threshold above which they no longer qualify for those regimes. Entrepreneurs respond to tax incentives and place a high value on tax simplicity. Many patterns on the reported turnover suggest that this observed response comes at least to some extent from misreporting.

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