

ABSTRACT

Thesis Title : An Analysis of the Elasticity and
Buoyancy of Beer Excise Tax

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The objectives of this thesis are to study tax elasticity and tax buoyancy of beer. These studies were conducted in order to estimate the effects of tax policy on beer excise tax, to forecast beer excise tax revenue and ultimately to come up with some recommendations on ways to impose beer tax policy in the future.

Studies on beer excise tax elasticity and buoyancy were based on secondary information i.e, beer excise tax revenue, beer consumption, beer tax rate and gross domestic product (GDP) between 1979-1994. The data were then analyzed using regression equations with ordinary least squares technique and double logarithmic function.

The analysis of tax elasticity of beer showed the high value but the tax buoyancy of beer showed the low value.

The revenue performance of beer excise tax ability increased tax revenue even in the absence of the tax policy, since the tax elasticity of beer had the value more than 1.

The automatic stabilization performance is measured by tax elasticity. The studies showed that beer excise tax could automatically stabilize the economy, because the tax elasticity of beer had the value more than 1.

The difference between tax buoyancy and tax elasticity of beer were indicative of impacts of tax policy on tax revenue. The post tax policy was used between 1979-1994 exploited beer to increase tax revenue.

This tax revenue model used to compare the beer excise tax revenue in 1995-1996 and the estimation of beer tax revenue of Excise Department in 1997-1998 showed the value almost the same of this result.