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### Research Announcement

#### Intergenerational Fiscal Constitutions: How to Protect Future Generations Using Land Taxes and Federalism

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#### Abstract

This paper studies how to design a fiscal constitution that protects future generations from expropriation and generates optimal investment in intergenerational public goods. We study how to accomplish these goals by changing the level of government to which different types of intergenerational public goods are assigned, and the tax base of the different jurisdictions. We show that land taxation is the essential instrument for policies that mostly generate fiscal spillovers, such as debt and public infrastructure. By contrast, interjurisdictional competition is required for policies that mostly generate direct spillovers, such as irreversible environmental damages. Furthermore, we show that it is possible to design a fiscal constitution that generates full capitalization of fiscal spillovers, but in general, not one that generates full capitalization of direct spillovers.

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