

Michael Love

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ACADEMIC APPOINTMENTS

Columbia Law School, *New York, NY*

Associate Professor of Law, 2023 - Present

EDUCATION

U.C. Berkeley, *Berkeley, CA*

Ph.D. in Economics, 2023

Advisors: Alan Auerbach (Chair), Aaron Edlin, Emmanuel Saez

Yale Law School, *New Haven, CT*

J.D., 2012

Harvard College, *Cambridge, MA*

A.B. in Economics, magna cum laude, 2008

Advisors: Lawrence Katz, Claudia Goldin

PROFESSIONAL EXPERIENCE

Joint Committee on Taxation, *Washington, DC*

Economic Research Analyst – 2021-Present

Wachtell, Lipton, Rosen & Katz, *New York, NY*

Associate – 2013-2017

U.S. Treasury, Office of International Finance, *Washington, D.C.*

Heyman Fellow – 2012-2013

White House, Council of Economic Advisors, *Washington, D.C.*

Research Assistant, Labor & Macroeconomics – 2008-2009

Office of Governor Tim Kaine, *Richmond, VA*

Policy Fellow – 2008

World Bank, *Praetoria, South Africa*

Short-Term Consultant – 2006, 2007

Equity Financing, Dividend Taxes and Corporate “Non-Capital” Investment

Best Paper Award, Oxford Centre for Business Taxation 2020 Doctoral Conference

I estimate that dividend taxes, by impacting the cost of equity financing, have large effects on the financing, investment, and real outcomes of many US public firms. But—in contrast with economists’ longstanding focus on capital investment outcomes—I find these responses are mostly from smaller, cash-constrained firms through “non-capital” investment channels: R&D and operating expenditures. Exploiting a quasi-experiment that tracks financing and expenditure responses to the 2003 dividend tax cut, I estimate a large, immediate, and sustained increase in average equity financing ($+86\% \pm 11\%$) by these firms, reflecting a high elasticity to the cost of capital. Responsive firms put the cash substantially toward operating expenditures and R&D, rather than tangible investment. I also find higher job growth and long-run sales among the responsive firms. These results make sense, reconciling mixed evidence in recent research: because dividend taxes affect the cost of equity financing, the firms impacted most are those that actually rely on equity financing—smaller, often unprofitable, less capital-intensive firms who invest heavily in “non-capital” pathways.

Where in the World Does Partnership Income Go? Evidence of a Growing Use of Tax Havens

Partnerships are the fastest growing class of business entity in the United States and represent over one third of reported business income, but due to their legal complexity and opaque nature economists have not yet been able to identify where a sizeable portion of this income goes. In this paper, I use US federal tax records from 2005-2019 to compile a comprehensive analysis covering 99% of the income flowing to the owners of partnerships. I find that a much larger portion goes to foreign owners than previously thought, and that most of this amount goes to tax havens—over \$1 trillion since 2011. The majority of these flows likely face zero tax in either the US or in the tax haven. Evidence suggests a prevalent use of entity arrangements by investment firms that shield investors from tax and reporting. Evidence also suggests a substantial increase in income reported after the enactment of FATCA.

Needed in Empirical Social Science: Numbers, with Aaron Edlin

Knowing the magnitude and standard error of an empirical estimate is much more important than simply knowing the estimate’s sign and whether it is statistically significant. Yet, we find that even in top journals, when empirical social scientists choose their *headline results*—the results they put in abstracts—the vast majority ignore this teaching and do not report *either* the magnitude or the precision of their findings. They provide no numerical headline results for $63\% \pm 3\%$ of empirical economics papers and for a whopping $92\% \pm 1\%$ of empirical political science or sociology papers between 1999 and 2019. Moreover, they essentially never report precision ($0.1\% \pm 0.1\%$) in headline results. Many social scientists appear wedded to a null hypothesis testing culture instead of an estimation culture. There is another way: medical researchers routinely report numerical magnitudes ($98\% \pm 1\%$) and precision ($83\% \pm 2\%$) in headline results. Trends suggest that economists, but not political scientists or sociologists, are warming to numerical reporting: the share of empirical economics articles with numerical headline results doubled since 1999, and economics articles with numerical headline results get more citations ($+19\% \pm 11\%$).

PRESENTATIONS

Harvard Law School (2022)
UC Irvine Law School (2022)
American Law and Economics Association, Annual Conference (2022)
UC Berkeley School of Law: Law, Economics, and Politics Center (2022)
US Treasury, Office of Tax Analysis (2022)
NBER, Business Taxation in a Federal System, Conference (2021)
National Tax Association, Annual Conference (2021)
UC Berkeley School of Law: Law, Economics, and Politics Center (2021)
UC Berkeley Dept. of Economics, Public Seminar (2021)
UC Berkeley Haas School of Business, Finance Lunch (2021)
Oxford University, Centre for Business Taxation, Doctoral Conference (2020)

GRANTS & HONORS

Dept. of Economics Award for Research in Public Policy, U.C. Berkeley, 2022
Outstanding Graduate Student Instructor Award, U.C. Berkeley 2020
Robert D. Burch Center for Tax Policy and Public Finance Fellowship, 2017-18 & 2020-21
Law, Economics, and Politics Center Fellowship, U.C. Berkeley, 2020 & 2021
Heyman Fellowship, Yale Law School, 2012-13
Phi Beta Kappa, 2008
Harvard College Scholarship, 2006-08
Alex G. Booth Fellowship for Thesis Research, 2007
Elizabeth C. Agassiz Scholarship for Summer Research, 2006
John Harvard Scholarship, 2005-06

OTHER PUBLICATIONS (NON-ACADEMIC)

A Perfect Storm for Corporate Inversions: Causes and Responses, 43 *Tax Mgmt. Int'l J.* 671 (2014), *with Deborah L. Paul.*

BAR ADMISSIONS

New York, 2014
Virginia, 2012

PROGRAMMING

Stata, SQL, Python, L^AT_EX