



REQUEST FOR LETTERS OF INTEREST

The Laura and John Arnold Foundation's (LJAF) core objective is to address our nation's most pressing and persistent challenges using evidence-based, multi-disciplinary approaches. LJAF is seeking Letters of Interest from organizations with innovative ideas for: (1) designing effective tax policies; and (2) conducting research to measure the efficiency and efficacy of tax policies using compelling data sources and credible identification methods. Specifically, LJAF is interested in projects that are intended to improve public understanding of how tax policy affects families, businesses, state and local fiscal health, and economic growth. While open to research evidence from all levels of government, we are most interested in how the research will inform state and local tax policy.

Background information

State and local taxes are an essential source of revenue for governments. The structure and disbursement of these taxes impacts the health of local economies, citizens' quality of life, and the delivery of public services. However, little is known about the efficiency or efficacy of many tax policies that are intended to discourage certain behaviors, incentivize economic development, or address other issues. Moreover, efforts to develop good tax policy are often hampered by a lack of credible evidence.

LJAF wishes to expand the knowledge base in this area in order to determine best practices for the design and administration of state and local taxes, and to inform policymakers about the effects of certain policies. Particular areas of interest include, but are not limited to, research on the effects of taxation on individual behavior and business practices; the impact of intra- and inter-state/local tax competition; the use of corrective taxation, including the design and implementation of the tax as well as the deployment of generated revenue; the economic and social outcomes of tax policy; and potential opportunities for procedural improvement.

Selection criteria

Letters of Interest should include:

- An explanation of the relevance and importance of the proposed research to current domestic policy. Specifically, how does the proposed research inform current policy for state and local government? How will this work provide a meaningful contribution to the current policy debate and existing evidence base?
- An explanation of the research design that will be employed. The most competitive projects will have a credible identification strategy and will use administrative data.
- A description of the strength of the research team and its ability to conduct high-quality, rigorous research suitable for publication in top academic journals.

Submission guidelines

Letters of Interest must focus on an issue of domestic importance and should meet the following guidelines:

- Address each of the selection criteria in no more than **three** pages
- Be single- or double-spaced and use an 11-point font or larger
- Specify the proposed recipient of the grant award, which LJAF generally expects to be a tax-exempt organization (*e.g.*, public charity or governmental unit)
- Specify the amount of funding required to conduct the proposed initiative.

Letters should be submitted by Dec. 15, 2016, to TaxPolicyLOI@arnoldfoundation.org. If LJAF determines that your Letter of Interest meets the criteria outlined above, you will be asked to submit a full proposal.

Additional information

LJAF grant funds may only be used for charitable, educational, and/or scientific purposes. LJAF does not fund efforts to influence legislation, to intervene in political elections or campaigns, to promote propaganda, or to conduct voter registration drives. LJAF does not make grants or loans to individuals and does not directly fund scholarships, fellowships, or prizes.