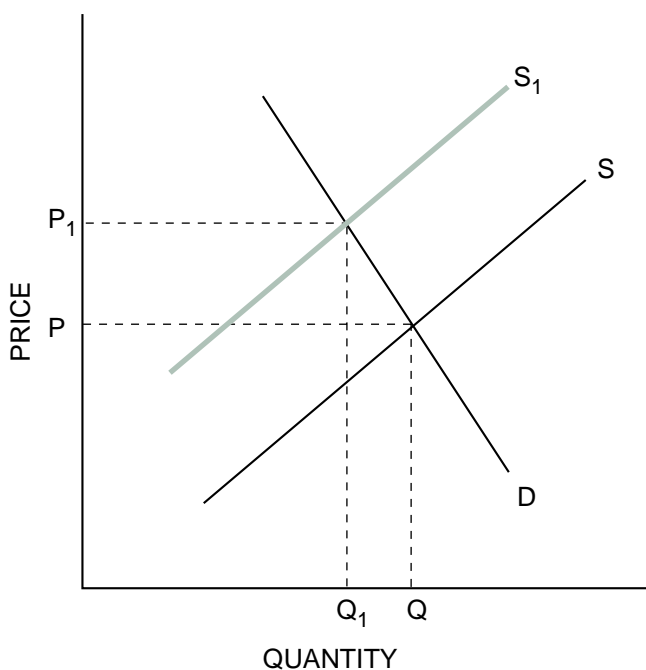


Tax Incidence and Elasticity of Demand



The more inelastic the demand for a good, the more the incidence of an excise tax can be shifted to the consumer.

