

*On the Taxation of Household Earnings*

**Abstract**

We derive the optimal joint tax schedule for household earnings. By restricting the tax schedules to depend only on total household income and the number of earners, and by restricting preferences to be of the isoelastic type

we are able to reduce the dimensionality of the screening problem and to deal with different degrees of assortative mating, heterogeneity in the spouses' bargaining power and participation decisions. We assess the role of dissonance, a

divergence between the planner's and the household's objectives, in shaping the optimal schedule. We perform numerical illustrations to show in which extent those heterogeneities affect optimal taxation.