

# The effects of asking for an invoice - Evidence from a large-scale natural field experiment\*

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FIRST DRAFT

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## Abstract

This study reports the results from a natural field experiment on undeclared work in online markets. We study suppliers' willingness to provide undeclared work and the price differences between declared and undeclared services. We post job advertisements for painting and flooring services. Interested craftsmen receive an email in which we vary the contract conditions. In the invoice treatment, we specify that we need an invoice. This sentence is left out in the control treatment. Comparing the acceptance rate of the two treatments, we find that 56% of suppliers are not willing to issue an invoice. While the rate of non-declarers is negligible in the market in which identities can be clearly identified, it amounts to 74% in the anonymous market. We find that consumers can save up to 32% by demanding undeclared work. This implies up to 60% higher savings than the German tax subsidy for demanding declared work.

Keywords: Undeclared work, field experiment, tax incentives

JEL Codes: H26; C93; E26; J22; O17

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